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Letter dated 24 April 2003 from the Chairman of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia, and in accordance with paragraph 4 of resolution 1458 (2003), I have the honour to submit the report of the Panel of Experts.

I would appreciate it if this letter, together with its enclosure, were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Munir **Akram**
Chairman
Security Council Committee established pursuant
to resolution 1343 (2001) concerning Liberia

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Annex

Letter dated 17 April 2003 from the Chairman of the Panel of Experts on Liberia to the Chairman of the Security Council Committee established pursuant to resolution 1343 (2001)

On behalf of the members of the Panel of Experts on Liberia, I have the honour to enclose the report of the Panel, in accordance with paragraph 4 of Security Council resolution 1458 (2003).

(*Signed*) Atabou **Bodian**
Chairman
Panel of Experts on Liberia

(*Signed*) Damien **Callamand**

(*Signed*) Enrico **Carisch**

(*Signed*) Harjit Singh **Kelley**

(*Signed*) Alex **Vines**

Report of the Panel of Experts appointed pursuant to paragraph 4 of Security Council resolution 1458 (2003), concerning Liberia

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Abbreviations

AFL	Armed Forces of Liberia
ASECNA	Agence pour la sécurité de la navigation aérienne en Afrique et à Madagascar
ATU	Anti-Terrorist Unit (Liberia)
CDF	Civil Defence Forces
ECOWAS	Economic Community of West African States
FIR	Flight Information Region
ICAO	International Civil Aviation Organization
IMF	International Monetary Fund
LURD	Liberians United for Reconciliation and Democracy
MJP	Movement for Justice and Peace
MODEL	Movement for Democracy in Liberia
MPIGO	Ivorian Popular Mouvement of the Great West
RIA	Robertsfield International Airport
RSLAF	Republic of Sierra Leone Armed Forces
RUF	Revolutionary United Front
RUFP	Revolutionary United Front Party
UNAMSIL	United Nations Mission in Sierra Leone
UNDP	United Nations Development Programme
UNHCR	Office of the United Nations High Commissioner for Refugees

Summary

1. Liberia's conflict is once more no longer isolated and its refugees and armed fighters have spilled over into its neighbours. Armed youths from Liberia, Sierra Leone, Guinea and now Côte d'Ivoire who have become accustomed to a life of conflict, banditry and lawlessness have joined armed groups in Liberia and in western Côte d'Ivoire. Combined they pose new risks of a vicious cycle of violence in the subregion.

2. The region is awash with weapons and several companies documented by this Panel as having been involved in sanctions-busting by providing arms to Liberia have also delivered weapons to its neighbours, including conflict-torn Côte d'Ivoire.

3. The Panel documents the support of Guinea for LURD fighters in Liberia. Guinea is used as a supply route for arms and supplies. The Panel has some evidence that the Government of Côte d'Ivoire is supporting the Lima armed militia and MODEL, an armed non-State actor group.

4. Internal violence in Liberia has escalated in 2003 to the point where no Liberian today can claim not to be affected by it. Revenue-generating projects have ground to a halt and some are being abandoned. Poor governance, corruption and insecurity have ensured that there has been no significant investment in recent years, resulting in 85 per cent unemployment. In recent months many humanitarian agencies have withdrawn most of their staff because of the widening conflict and because the Government is unable and unwilling to provide for the basic needs of Liberians.

5. **Weapons**. President Taylor in March openly declared that Liberia would import weapons for self-defence and the Government has provided the Panel with a list of weapons it has procured. In its analysis the Panel concludes that these weapons were obtained in Serbia in 2002 from the arms manufacturer Zastava using a false Nigerian end-user certificate. The Panel suspects that preparations are ongoing for trans-shipments of 50 tons of Serbian military equipment from Belgrade to Liberia via Kinshasa, using an end-user certificate from the Democratic Republic of the Congo. Cases of false declaration of goods, fake flight plans for aircraft routing and use of unregistered aircraft have been detected. The Panel during its investigation obtained a false Guinean end-user certificate from Belarus and established that an Ivorian end-user certificate in its possession was fake. The Panel also obtained two credible accounts of recent shipments and unloading of weapons at the ports of Buchanan and Harper.

6. **Diamonds**. The Government of Liberia and LURD have made the control of diamond-producing areas a key military objective. In the current context it would be difficult to find an area in Liberia from which rough diamonds could be declared "conflict-free". It is clearly the objective of the Government to stamp out the illegal trade in diamonds and a scheme is being coordinated by the Ministry of Land, Mines and Energy to implement the Kimberley Process Certification Scheme. Progress has been made in this regard but only an end to the internal conflict can guarantee success.

7. **Revenue and expenditure**. Government accounting is far from transparent and no independent auditing exists. Revenues over the past five years have never exceeded US$ 85 million and the Government may increasingly rely upon off-budget income to fund its high defence expenditure. The Panel has documentary

evidence for $7.5 million (more than 10 per cent of average annual Government revenue since 1999) of either questionable or clearly off-budget income. Two documents prove that some of these funds were used for defence-related spending. The Panel further shows that significant gains are realized by the import/export monopolies organized by the Government.

8. **Civil aviation**. Liberia opted in 2001 to unilaterally exercise control of its airspace in order to avoid scrutiny of flight traffic to Liberia following the imposition of United Nations sanctions. Liberia's non-compliance with the letter of agreement between Robertsfield FIR and the Approach Control Unit has endangered air safety in the region. The Panel analysed flight movements in the region from October 2002 to March 2003 and discovered that only 98 of the 979 movements it noted had been coordinated. This is just 10 per cent of flight movements and a very dangerous situation.

Observations and recommendations

9. **The Panel would like the following observations to be noted**:

- That Liberia is still violating the arms embargo.
- That Guinea by supporting LURD is violating the embargo.
- That the basis for the imposition of the sanctions against Liberia needs to be reassessed because violence and conflict are spreading across the region and are generated not only by Liberian forces.
- In the light of the changed situation and the escalating hostilities in the region a comprehensive new approach by the Security Council to the situation in all of West Africa is required that must include the input of key regional actors as demanded in the presidential statement (S/PRST/2002/36).
- That the financing of armed non-State actors and the funding sources of their foreign sponsors require investigation.
- That to prevent Liberia from further decay international assistance to reorganize its revenue system is required.
- That the original rationale for the travel ban is no longer applicable.

10. **The Panel recommends**:

- That the moratorium on the importation, exportation and manufacturing of small arms in West Africa and its implementation mechanism, the Programme for Coordination and Assistance for Security and Development, should be strengthened through international assistance and technical support. The moratorium should be broadened and become an information exchange mechanism for all types of weapons procured by ECOWAS members.
- The establishment, in cooperation with Member States, of an international mechanism for harmonizing and verifying all end-user certificates for weapons.
- That the Liberian Civil Aviation Authority fully cooperate with the modalities of responsibilities as provided in the letter of agreement signed in November 2001 between the Flight Information Region and the Approach Control Unit of Robertsfield International Airport, and also register all of its aircraft.

- That, in order to define which areas can be classified "conflict-free" and diamonds from there fit for export, the services of international mining and geological consultants should be engaged.
- That financial sanctions be imposed against the following individuals: Slobodan Tešic (or Tezic), Orhan Dragaš, Aleksic Jovan, Dragoslav Jerinic and Ljubo Milenkovic of Serbia and Montenegro, and Emmanuel Shaw of Liberia.

Introduction

A. General

11. In reference to Security Council resolution 1458 (2003) of 28 January 2003, the Secretary-General, on 14 February 2003, appointed a Panel of Experts (see S/2003/185 and 251) to conduct a follow-up assessment mission to Liberia and neighbouring States, in particular Côte d'Ivoire, in order to investigate and compile a report on:

- The Government of Liberia's compliance with the demands contained in subparagraphs 2 (a) to (d) of Council resolution 1343 (2001).
- Any violations of the measures referred to in paragraph 5 of resolution 1408 (2002), including any that involve rebel movements.
- Progress made in auditing timber and maritime revenues.

12. In paragraph 2 of resolution 1343 (2001), the Council demanded that the Government of Liberia immediately cease its support for the Revolutionary United Front in Sierra Leone and for other armed rebel groups in the region, and in particular take the concrete steps delineated under subparagraphs (a) to (d), which include:

(a) Expelling all RUF members from Liberia and prohibiting all RUF activities on its territory;

(b) Ceasing all financial and military support to RUF and taking steps to ensure that no such support is provided from the territory of Liberia or by its nationals;

(c) Ceasing all direct or indirect import of Sierra Leonean rough diamonds which are not controlled through the certificate of origin regime of the Government of Sierra Leone;

(d) Freezing funds or financial resources or assets owned or controlled directly or indirectly by RUF.

13. Paragraphs 5 to 7 of resolution 1343 (2001) involve, respectively, a tightened embargo on arms and related materiel of all types, including technical training; a ban on the direct or indirect import of all rough diamonds from Liberia; and a travel ban on senior members of the Government of Liberia and its armed forces, their spouses and individuals providing military support to armed rebel groups in countries neighbouring Liberia.

14. Throughout its work, the Panel remained cognizant of the fact that the demands contained in subparagraphs 2 (a) to (d) of resolution 1343 (2001) were intended to lead to the consolidation of the peace process in Sierra Leone and to further progress in the peace process in the Mano River Union area.

15. The Panel took particular note of paragraph 4 of resolution 1458 (2003), and paragraph 4 of resolution 1408 (2002), in which the Council called on all States in the region to cease military support for armed groups in neighbouring countries, to take action to prevent armed individuals and groups from using their territory to prepare and commit attacks on neighbouring countries and to refrain from any actions that might contribute to further destabilization of the situation on the borders between Côte d'Ivoire, Guinea, Liberia and Sierra Leone.

16. The Panel also took note of the contents of the written submission made to it by the Government of Liberia on 4 April 2003 during its meeting with the Government's task force on compliance with sanctions. The submission was a response to a list of questions submitted to the Government by the Panel in a letter dated 10 March 2003.

17. The Panel of Experts consisted of an expert on civil aviation, Atabou Bodian (Senegal); an expert on financial links, Enrico Carisch (Switzerland); an expert with Interpol investigative experience, Damien Callamand (France); an expert on maritime affairs, Harjit S. Kelley (Kenya) and an expert on diamonds, Alex Vines (United Kingdom of Great Britain and Northern Ireland), who also acted as the weapons expert. Mr. Atabou Bodian was designated as the chairman of the Panel.

18. Four Panel members first met at United Nations Headquarters on 27 February 2003. The Panel also kept the Security Council Committee on Liberia informed of the progress of its work, as and when necessary. The maritime expert joined the Panel on 17 March 2003.

B. Basis for the sanctions regime

19. In paragraph 2 of resolution 1343 (2001), the Security Council demanded that Liberia take three steps regarding the Revolutionary United Front:

(a) Expel all RUF members from Liberia and prohibit all RUF activities on its territory;

(b) Cease all financial and, in accordance with resolution 1171 (1998), military support to RUF, including all transfers of arms and ammunition, all military training and the provision of logistical and communications support, and take steps to ensure that no such support is provided from the territory of Liberia or by its nationals;

(c) Freeze funds or financial resources or assets that are made available by its nationals or within its territory or indirectly for the benefit of RUF or entities owned or controlled directly or indirectly by RUF.

20. The Panel can no longer establish any direct link between these demands and what is occurring in Liberia today. The Revolutionary United Front Party in Sierra Leone is a legitimate party and the Panel has found no evidence of links between RUFP in Sierra Leone and former RUF field commander Sam Bockarie and his followers.

21. The Panel found that ex-RUF now act as mercenaries fighting for the Government of Liberia, LURD, and in Côte d'Ivoire for the MJP, MPIGO and Lima forces. The Panel believes that they total 1,000 across the region.

22. Groups of Sierra Leonean, Liberian, Guinean and now Ivorian youths also roam the subregion. Having become accustomed to a life of conflict, banditry and lawlessness they pose the risk of a vicious cycle of violence in the subregion. It

serves no further purpose to link Security Council action exclusively to ex-RUF, and now is the time to reassess and redesign any future sanctions regime.

C. Methodology of the investigation

23. **Questionnaires**. The Panel requested specific information from the relevant countries, through their Permanent Missions to the United Nations, regarding certain arms shipments, the movement of aircraft used for the illegal transportation of arms and ammunition, and the activities of individuals involved in such deals. The Panel requested information from 25 countries and companies. Much of the information requested was not provided.

24. **Visits to countries**. The Panel travelled extensively to the countries involved, or believed to be involved, in the trafficking of weapons and related materiel to Liberia in violation of Security Council embargoes, and also to those countries that could provide useful information on such activities. The entire Panel visited Liberia and a member of the Panel stayed in Liberia for almost the full duration of the time allocated for field investigation. One or more members of the Panel visited Belgium, Bulgaria, Chad, Côte d'Ivoire, France, Guinea, Liechtenstein, the Libyan Arab Jamahiriya, Senegal, Serbia and Montenegro, Sierra Leone, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

25. **Field visits**. In order to make a first-hand assessment, two experts spent much of March in Liberia. As Liberia has been designated as Security Phase Four (United Nations role limited to emergency programmes and humanitarian operations) travel outside Monrovia was not approved and this limited the maritime investigation in particular. The Panel was also hampered by the non-cooperation of government agencies. Despite an official request made at a meeting at the Ministry of Foreign Affairs in Monrovia on 6 March 2003 for 18 technical meetings, only four were held despite an expert being present in Monrovia during all of March. The only significant meeting the Panel obtained with the Government was with the Sanctions Task Force on 4 April 2003.

26. **Interviews**. In each country visited, the Panel members interviewed government authorities and, where relevant, diplomatic missions, civil society organizations, aid agencies, private sector firms and journalists. The Panel also contacted a number of key individuals who have been the subject of interest and controversy in recent months in connection with the crisis in the subregion (see annex I). Given, however, the sensitive nature of the subjects investigated by the Panel, it should be noted that many individuals spoke under condition of confidentiality. Several meetings held in various countries have therefore not been listed.

27. **Assistance from international and regional organizations**. The Panel received useful cooperation and assistance from several international organizations such as IMF, Interpol, ICAO and ASECNA, and made proper use of their expertise, where relevant.

28. **Assistance from private commercial enterprises**. The Panel received useful cooperation from a number of private enterprises including international companies. The Panel, however, was seriously obstructed by ExxonMobil from carrying out its investigation, which affected the quality of the information contained in this report.

29. **Police and judicial records**. The Panel was able to access the police and judicial records of several cases linked to trafficking of arms and ammunition that were under investigation.

D. Standards of verification

30. The Panel used the same high evidentiary standards in its investigations as used in its previous reports (S/2001/1015, S/2002/470 and S/2002/1115). This required at least two credible and independent sources of information to substantiate a finding. Wherever possible, the Panel also put allegations to those concerned so as to allow them the right of reply. As in its previous reports, the Panel has attached a number of annexes, comprising hotel bills, false end-user certificates and serial numbers of guns etc.

31. In the past three years, the Panel has systematically collected from West African countries statistics and details on the movement of unscheduled flights to and from Liberia. Depending on the recorded departure point of the flights, the Panel has also gathered information from several other African countries all over the continent, and from several States in Europe and the Middle East on the routings and flight plans of the aircraft involved.

32. In addition to its own detailed verification, the Panel received corroborating information from international agencies and police sources operating at the international and the national level. The assistance of Interpol specialists was also called upon as required. In all cases mentioned in the report, the Panel did not rely solely on oral testimonies. Corroborative documentary and circumstantial evidence was always insisted upon. The evidence, therefore, is incontrovertible and irrefutable.

Part one
Liberia and regional instability

I. Region

33. Liberia's conflict is no longer isolated in the region and its refugees and armed fighters have crossed into neighbouring countries. Armed youths from Liberia, Sierra Leone, Guinea and now Côte d'Ivoire who have become accustomed to a life of conflict, banditry and lawlessness have joined armed groups in Liberia and in western Côte d'Ivoire. Combined, they pose new risks of a vicious cycle of violence in the subregion.

II. Liberia

34. Since mid-April 1999, when armed individuals crossed into Liberia from Guinea and attacked the Lofa County town of Voinjama, what is now called the LURD insurgency has become a growing problem for the Government of Liberia. Fighting between LURD and the Government intensified from late 2001 and has contributed to a major humanitarian problem.

35. Liberia's internal conflict has displaced civilians, and an estimated 180,000 internally displaced persons are encamped and tens of thousands of others are squatting in host communities.

36. According to the latest report of the Secretary-General on the situation in Liberia (S/2003/227), only about half of Liberia's minimum humanitarian needs have been met, owing especially to an inadequate response to numerous appeals for

assistance. According to the Office for the Coordination of Humanitarian Affairs only 2 per cent of the US$ 42.6 million in funding requested in the 2003 Consolidated Inter-Agency Appeal for Liberia had been donated.

37. The murder of one Liberian and two Norwegian aid workers of the Adventist Development and Relief Agency on 28 February 2003 in Toe Town (Towai Town) and abductions across the border to Côte d'Ivoire of several employees of other relief agencies signalled that the Liberian authorities could no longer provide security to humanitarian workers.

38. Insecurity has prompted the European Union, the United States of America and the United Nations to suspend humanitarian assistance to 11 of Liberia's 15 counties. The Panel noted with concern that a number of non-governmental organizations were planning exit strategies, and redeployment of their assets to the Middle East.

39. Spreading violence had already led to the complete cessation of logging activities in Lofa County and by April logging operations in the Buchanan area had to be put on hold also, as most workers fled in anticipation of advancing insurgencies. The cycle of violence continues: as income opportunities vanish more Liberians are forced to fight for their survival, creating new hostilities and new losses to the economy.

A. The western and central fronts

40. The civil war has erupted again after a brief lull following Government successes late in 2002 in pushing LURD fighters back into upper Lofa County. This is the same pattern as in the latter part of 2001. LURD has extended supply lines and benefits from the dry season. Early in 2002 it was able to advance close to Monrovia by means of quick raids, but it was unable to hold territory.

41. In February 2003, a regrouped and rearmed LURD launched a new wave of attacks resulting in the capture of a series of key towns such as Bopolu, a major diamond centre; Tubmanburg, a strategic country town on the main road to Sierra Leone, Bo-Waterside, giving it control of the Mano River Union bridge to Sierra Leone, and the coastal town of Robertsport and Klay Junction. By early March LURD had reached the Po River bridge, eight miles from Monrovia. On 25 March LURD reached the Brewerville area just outside Monrovia and abducted a number of students from the Ricks Institute. The Panel visited this area shortly after the incident and can confirm that abductions occurred and that government forces have been conscripting widely in the camps of internally displaced persons such as Voa and Jah Tono camps.

42. Government troops have reportedly since then driven LURD back more than 50 miles on this front. The situation nevertheless remains extremely volatile; LURD is reportedly in firm control of several cities including Fassama and Kolahun, as well as most of the cities in Lofa County, including Zorzor and Voinjama, the LURD headquarters. In upper Lofa, government forces are restricted to a corridor to the Sierra Leone border from the town of Foya.

43. The Government has also been fighting LURD along the strategic central corridor from Monrovia to Nimba since March. On 21 March LURD captured Gbarnga, the ancestral home of President Taylor. Government troops recaptured

Gbarnga after a fierce fight and subsequently pursued LURD to the town of Ganta on the Guinean border, where fighting intensified.

44. Casualty rates for government soldiers are much higher from the fighting in Nimba County than on the western front. The Panel visited the John F. Kennedy Memorial Hospital and found that its maternity wing had been reopened as a war casualty hospital. The hospital was full of war wounded and the Panel observed many people with gunshot wounds, including child combatants and several militia commanders.

> **"No die, no rest": survival in Foya**
>
> Armed Forces of Liberia Navy Ranger militia stationed just inside Liberia at Dung Gowa in upper Lofa and deserting AFL soldiers described significant hardship in Foya to the Panel, noting that they felt neglected and marginalized. They reported that they had little food and that the only supplies they received in 2003 were by helicopter. To survive they had to loot. "No die, no rest" one young soldier from Foya told the Panel. In November 2002 an elite group of 25 hardened Sierra Leonean ex-RUF and CDF fighters was redeployed to the eastern front — the Côte d'Ivoire border.

B. The eastern front

45. The violent conflict that has engulfed Côte d'Ivoire since 19 September 2002 has also involved heavy fighting between Government and rebel forces in the country's western region, bordering on Liberia. The Government of Liberia has denied allegations that it has been involved in the Côte d'Ivoire crisis, arguing that what occurred there is a result of the unchecked activities of armed non-State actors in the region. The Government did deploy units at the eastern border to prevent spillover of Ivorian fighting, especially after an armed incursion into the Liberian border town of Gbein (Kpein), which left two Liberian soldiers dead. The Government blamed LURD for that attack, a claim LURD denied.

46. The attack on Gbein was soon followed, in mid-March 2003, by attacks on Zle Town, Toe Town and on 28 March 2003 on the capital of Grand Gedeh County, Zwerdu (Zwedru). This new front appeared to have surprised the Government, which was pursuing retreating LURD in the central corridor. According to refugees from Zwerdu interviewed by the Panel, there were several hundred armed individuals all well armed and all smartly dressed in military uniforms, unlike the rag-tag government militia forces.

47. The armed men were disciplined and reassured the civilian population after the attack that they only wanted to remove Mr. Taylor from office. They told the residents not to call them rebels but freedom fighters and to the astonishment of the local population repaired Zwerdu's street lighting and turned it on. The men spoke a number of Liberian languages and eyewitnesses rejected the Government's claims that they were ethnic Krahn militia. This armed group entered Liberia from Côte d'Ivoire and is now called the Movement for Democracy in Liberia (MODEL).

III. Côte d'Ivoire

48. The violent conflict that has racked Côte d'Ivoire since 19 September 2002 has involved Liberians. The Ivorian conflict has been further complicated by the appearance in November 2002 of two new armed groups, the Ivorian Popular Movement of the Great West (MPIGO) and the Movement for Justice and Peace (MJP). These groups seized Danané and Man on 28 November 2002. Both groups declared that their main objective was to avenge the death of General Robert Guei and they also demanded the resignation of the President of Côte d'Ivoire, Laurent Gbagbo. A detailed assessment of the current situation in Côte d'Ivoire is contained in the report of the Secretary-General (S/2003/374). The Government of Liberia denies allegations of its involvement in Côte d'Ivoire.

A. The Ivorian Popular Movement of the Great West and the Movement for Justice and Peace

49. MPIGO is concentrated in the west of the country, centred on Binhouye, and MJP on Man. The two groups appeared on the scene almost simultaneously, and later than the Patriotic Movement of Côte d'Ivoire (MPCI). Their coordination with MPCI remains unclear although MPCI claims to speak on behalf of all three. According to the Secretary-General's report, both groups reportedly have unreliable chains of command and have been responsible for ceasefire violations. Unlike the MPCI rebels, those in the west are not heavily armed and are clearly not as well disciplined — there have been many reports of rape and looting. An independent military assessment of the two groups puts their total strength at 2,000, including many foreigners, especially from Liberia and Sierra Leone, and numerous child combatants.

50. Poorly led MPCI troops also operate in an enclave of territory in the south-west along the Liberian border near Grabo. Unarmed youths on bicycles and equipped with mobile telephones report if there is no opposition in villages. A raiding party then follows to pillage the area. Liberians have regularly crossed the border to loot the area in this manner.

51. The Panel investigated the role of Liberians in western Côte d'Ivoire. Information obtained indicated that, apart from Liberian individuals embedded in MPIGO and MJP, rogue armed groups consisting of Liberians and Sierra Leonean combatants operate in these areas.

52. These independent Liberian and Sierra Leonean fighters or mercenaries are accustomed to a life of conflict, banditry and lawlessness. As reported by the Secretary-General (S/2003/227), the Liberian Minister of Information has indicated that Liberian mercenaries might have participated in the Ivorian conflict although he has stressed that no government forces were involved.

53. Interviews with residents who have lived on both sides of the border indicate that significant numbers of Armed Forces of Liberia and militia personnel crossed into Côte d'Ivoire just prior to the attacks on Danané and Man. They were subsequently spotted trafficking looted goods such as vehicles, cellphones, household goods and furniture from Côte d'Ivoire to Liberia. In March 2003 the Panel saw an increase in the types of vehicles available in Monrovia, some with Ivorian insurance labels still on, although the registration plates had been replaced with Liberian ones.

54. It is difficult to establish whether these incursions were officially sanctioned by the Government of Liberia. Liberian militia leaders Cucoo Dennis, General Roland Duo and Benjamin Yeaten were reported in the Danané area late in November and December 2002. Former RUF fighter Sam Bockarie "Mosquito" is also reported to have remained in the Man area from November 2002 until the present, in support of the rebels. MJP and MPIGO recently informed western diplomats in Abidjan that they were having trouble controlling poorly disciplined irregular units of Liberians who had volunteered their services to them.

55. Documentation of these activities is difficult, although an AFL identification card was found on one individual who had fought for the rebels. The Panel also inspected weapons captured by the Ivorian National Army from the rebels late in 2002 but could not match any of those weapons with those it had seen in Liberia. The Panel did note that many of the light and heavy weapons it inspected in Côte d'Ivoire had had their serial numbers removed. This indicated that whoever supplied the weapons was worried about them being traced.

B. Lima and the Movement for Democracy in Liberia

56. In 2003, two additional armed groups linked to Liberia have emerged. A militia recruited mostly from Liberians residing in Côte d'Ivoire emerged early in March. Called Lima, it is thought to be around 1,000 strong and operates in western Côte d'Ivoire in military operations against MJP and MPIGO and their supporters. On 7 March the French Army as part of Operation Licorne intercepted over 100 Lima supporters at Bangolo. They were well armed with 72 AK-47s, carrying ammunition and radio equipment. These weapons match types used by the Ivorian National Army. At the Ivorian military base of Akouedo the Panel interviewed some of these militia members but they did not recognize or pretended not to know the term Lima.

57. Subsequent investigation into Lima revealed that the Government of Côte d'Ivoire mid-December 2002 began to recruit Liberian residents in Côte d'Ivoire for a militia that was identified by the radio call sign L (Lima), the first letter of "Liberia". Many of these recruits came from the refugee camp of Nicla and were offered 10,000 CFA francs to join. There has also been harassment and violence against those who oppose recruitment. Liberians are predominantly involved in the recruitment although lima does have Ivorian liaison officers.

Ethnicity is a factor

To many people the spreading conflict has encouraged a manipulation of ethnic loyalties. President Taylor in the 1990s allied himself with the Gio and Mano, rivals of the Krahn promoted by former President Samuel Doe. LURD originally drew supporters from a Krahn-Mandingo alliance. Recently Krahn supporters split to form MODEL.

In Côte d'Ivoire, the Guere people are affiliated with the Krahn and have provided a base of support for Lima. In contrast the Ivorian MJP and MPIGO attract support from the Yacuba, from which the late President Guei originated, and are linked to the Gio in Liberia who sympathize with President Taylor.

58. The Panel also discovered that LURD had been trying to obtain a foothold in Côte d'Ivoire throughout 2002, with limited success because of Ivorian hostility. After the attacks of 28 November 2002 on Man and Danané this policy changed. Early in 2003 a group of Liberians from Accra joined individuals from Guinea and the United States to form a new Liberian armed opposition group, known now as MODEL. This group appears to be a splinter group from LURD, attracting support especially from individuals of Krahn affiliation. A LURD official admitted to the Panel that there had been a split but that the two groups had held discussions about how to coordinate their military actions against the Government of Liberia.

59. The Government of Côte d'Ivoire certainly encouraged this group in its formative stage, as two key Krahn activists, Kpargai Trohoe and Glay William, stayed in Abidjan from 27 December 2002 to 7 January 2003, hospitality being provided by the "Présidence de la Rép[ublique]" (see annex II). In March 2003 attacks into Liberia from Côte d'Ivoire by well armed and uniformed men commenced.

Nicla: no peace camp

Nicla refugee camp, near Guiglo in western Côte d'Ivoire, claims at its gate to be a peace camp. In fact it has become the main pool for recruitment of Liberians into Lima and possibly MODEL. The Panel visited the camp early in April and found many traumatized and frightened refugees. "We are scared. People with guns come every night to make us fighters", said one refugee. The recruitment started on 7 December 2002 and continues on a daily basis. When the Panel left the camp at dusk, it witnessed a military vehicle with armed individuals driving to the camp. The Chief of Staff of Lima, Amos Cheaye, was in the vehicle. "We either get evacuated or we end up fighting in Liberia. Soon this camp will no longer house our young", pleaded the refugees with the Panel. "We de-traumatize our children and then they pay them 10,000 CFA francs to fight again". The Panel talked to a 14-year-old boy who had been shot during a military operation and was resting in the camp.

Recommendation

These refugees urgently need to be relocated to a safer location. This grave situation has already been highlighted (S/2003/374). It remains important for the international community to support the efforts of UNHCR to find asylum for the Liberian refugees outside the subregion, and to relocate inside the country those who do not wish to be evacuated. The Government of Côte d'Ivoire needs to ensure respect for the civilian status of the refugee camp at Nicla. In the short term an international military observation team should be stationed at the gate of the camp and proper identification cards should be issued to all genuine refugees in the camp. This would assist the recognition of the civilian status of those refugees.

IV. Sierra Leone

60. The conflict in Liberia constitutes the most immediate threat to the stability that now prevails in Sierra Leone. Despite reinforced Sierra Leone army deployments in the border areas, armed Liberian groups continue to raid hamlets for food and to abduct villagers. In November 2002 there was an upsurge of such raids and these have continued into 2003. On 10 January 2003, some 70 Liberian combatants believed to be LURD crossed the border and attacked the village of Mandavulahun in the Kailahun Saliant. RSLAF troops restored control of the area and the combatants retreated.

61. AFL and LURD forces have also tended to retreat to the border areas of Sierra Leone. There have been hundreds of desertions of AFL soldiers, and some LURD fighters. These combatants have been housed in a special camp at Mape, near Lungi.

A. Sam Bockarie faces war crimes

62. On 10 March 2003 the Prosecutor of the Special Court for Sierra Leone made a public statement in which he announced that indictments had been brought against former RUF, AFRC, West Side Boys and CDF leaders. Ex-RUF commander Sam Bockarie "Mosquito" was named. The crimes alleged in the indictments include murder, rape, extermination, acts of terror, enslavement, looting, burning, sexual slavery, conscription of children into an armed force and attacks on United Nations and humanitarian workers. The majority of the suspects are currently in custody but Bockarie is still at large.

63. The Panel has sought to interview Mr. Bockarie. From November 2002 there have been persistent reports that he resides in the Man area in Côte d'Ivoire. In a note to the United Nations the Ivorian Consul General in Monrovia reported that Bockarie had recently been observed looting in the Guiglo region (see annex III). The Panel failed to confirm this report when it visited Guiglo in April but obtained credible information that Bockarie had been in the Man area on 3 April.

64. The Panel also visited Bockarie's house in Congo Town, Monrovia, to talk to his wife. She was reluctant to meet the Panel. The Panel noted that she had obtained a new car that had Liberian licence plates but still carried an Ivorian insurance label. The Government of Liberia once more denied any knowledge of the whereabouts of Mr. Bockarie.

B. Ex-RUF, CDF and West Side Boys recruited as mercenaries

65. In Sierra Leone RUFP is a legitimate party, and the Panel has found no evidence of links between RUFP in Sierra Leone and former RUF field commander Sam Bockarie and his followers.

66. The Panel found that ex-RUF, CDF and West Side Boys members have been recruited to fight as mercenaries for the Government of Liberia, LURD and, in Côte d'Ivoire, for the MJP, MPIGO and Lima forces. The Panel believes they total about 1,000 across the region.

V. Guinea

67. Guinea is also linked to the conflict in Liberia. In 2000 it was the target of armed incursions from Liberia led by Guinean dissidents but supported by Liberian and Sierra Leonean combatants. It has since been Guinean policy to support the LURD rebels (see S/2001/1015, S/2002/470 and S/2002/1115), although the Government has consistently denied this and in a letter to the Panel dated 11 March 2003 stated that in 2000 rebels stole weapons from the Guinean contingent in the United Nations Mission in Sierra Leone (UNAMSIL). There had also been an attack by disgruntled LURD rebels and sympathizers on the border town of Guéckédou during which time the rebels had pillaged a military base and stolen arms and ammunition.

Support for the Liberians United for Reconciliation and Democracy

68. Interviews with LURD fighters by the Panel indicate a regular and ongoing system of support by Guinea for LURD. Guinea provides regular logistical support and numerous fighters reported being hosted on "ammo runs" at a Guinean military barracks in Macenta where they were provided with ammunition and weapons which were then trucked over the border to the LURD headquarters at Voinjama. Guinean forces also provided supporting cross-border long-range artillery for LURD operations in Foya in upper Lofa on several occasions, late in 2002 and early in 2003 and, according to the Government of Liberia, recently near Ganta.

Part two
Violations of the arms embargo

I. Government of Liberia

A. President Taylor admits to violating the arms embargo

69. On 26 March 2003 the President of Liberia, Charles G. Taylor, told the press that Liberia had "ordered arms in this country under Article 51 of the Charter of the United Nations". The Government subsequently provided the Panel with a letter from the Minister of Defence, in which he submitted "a comprehensive listing of military hardware and materials that were imported for self-defence purposes". The weapons listed are almost identical to those in a false Nigerian end-user certificate, reported earlier (S/2002/1115), which the Panel concluded were delivered from June to August 2002 to Liberia from Belgrade in violation of United Nations sanctions (see table 1).

Table 1
Comparison of Liberian arms list with weapons listed in the false Nigerian end-user certificate

Government of Liberia list	*Arms listed in false Nigerian end-user certificate*	*Date of delivery in Liberia*
1 000 automatic rifles 7.62x39 mm	1 000 automatic rifles 7.62x39 mm	1 June 2002
498 960 cartridges 7.62x39 mm M67	498 960 cartridges 7.62x39 mm	
2 000 hand grenades M75	2 000 hand grenades M75	

Government of Liberia list	*Arms listed in false Nigerian end-user certificate*	*Date of delivery in Liberia*
1 000 automatic rifles 7.62x39 mm M67	1 000 automatic rifles 7.62x39 mm	7 June 2002
1 260 000 cartridges 7.62x39 mm M67	1 260 000 cartridges 7.62x39 mm M67	
2 496 hand grenades M75	2 496 hand grenades M75	
1 500 automatic rifles 7.62x39 mm	1 500 automatic rifles 7.62x39 mm	29 June 2002
2 165 500 cartridges 7.62x39 mm	1 165 500 cartridges 7.62x39 mm	
180 000 rounds of ammunition 7.62 mm for M84	120 000 rounds of ammunition 7.62 mm for M84	5 July 2002
15 200 rounds of ammunition 9 mm NATO	11 250 rounds of ammunition 9 mm NATO	
75 000 rounds of ammunition 7.62 mm	75 000 rounds of ammunition 7.62 mm	
100 missile launchers RB M57	100 missile launchers RB M57	
4 500 mines for RB M57	4 500 mines for RB M57	
60 automatic pistols M84, 7.65 mm	60 automatic pistols M84, 7.65 mm	
20 pistols CZ99, 9 mm	20 pistols CZ99, 9 mm	
10 Black Arrow long-range rifles M93, 12.7 mm	10 Black Arrow long-range rifles M93, 12.7 mm	
5 machine guns M84, 7.62 mm	5 machine guns M84, 7.62 mm	
100 missile launchers RB M57	100 missile launchers RB M57	23 August 2002
2 000 mines for RB M57	1 000 mines for RB M57	
75 machine guns M84, 7.62 mm	50 machine guns M84, 7.62 mm	
2 800 automatic rifles 7.62x54 mm	1 500 automatic rifles 7.62x54 mm	
27 pistols CZ99, 9 mm	17 pistols, CZ99, 9 mm	
92 400 rounds of ammunition 7.62x54 mm	92 400 rounds of ammunition 7.62x54 mm	
526 000 rounds of ammunition 7.62x39 mm	526,680 rounds of ammunition 7.62x39 mm	
19 000 rounds of ammunition 9 mm	9 000 rounds of ammunition 9 mm	
6 000 rounds of ammunition 7.65 mm	6 000 rounds of ammunition 7.65 mm	
9 hunting rifles		
152 missile launchers	152 missile launchers	25 August 2002
1 000 mines for RB M57	1 000 mines for RB M57	
5 200 rounds of ammunition for Black Arrow long-range rifle M93, 12.7 mm	5 200 rounds of ammunition for Black Arrow long-range rifle M93, 12.7 mm	
183 600 rounds of ammunition	183 600 rounds of ammunition	

Government of Liberia list	*Arms listed in false Nigerian end-user certificate*	*Date of delivery in Liberia*
7.62x54 mm	7.62x54 mm	
999 180 rounds of ammunition 7.62x39 mm	999 180 rounds of ammunition 7.62x39 mm	
2 sets rubber pipelines	2 sets rubber pipelines	
3 propellers	3 propellers	
1 rotor head	1 rotor head	
17 pistol holders	17 pistol holders	

70. These shipments were brokered by the Belgrade-based company Temex. The freight forwarding agent Interjug AS provided all the paper work at Belgrade Airport and the Moldovan company Aerocom and the Belgium affiliate of Ducor World Airlines transported these weapons to Liberia.

Helicopters are a priority

The Liberian military continues to search for helicopters to support its war effort. As the Liberian list in table 1 shows, three propellers and one rotor head were imported from Belgrade in violation of United Nations sanctions. There are currently four helicopters in Liberia. Two of these are Mi-2s, of which one is an ATU 003 and the other a police helicopter; both currently require spare parts and are grounded. The Panel observed them at Spriggs Payne Airport. A third helicopter, an Mi-8/17, has been grounded for a long time and is stationed at Robertsfield International Airport; on 8 April 2003 it was finally repaired and able to conduct military operations. A fourth helicopter, painted white with a blue strip, has been operational since 2002; since April 2003 however it has been limited to short flights because of a worn rotor engine. That helicopter was originally imported by Gus Kouwenhoven of the Royal Timber Company and was provided to the Government in lieu of taxes. AFL soldiers informed the Panel that until March 2003 the helicopter frequently delivered weapons and military supplies to them in Foya. Kouwenhoven has previously procured one Mi-2 for the police.

Obtaining spare parts for helicopters has been a key priority of the Government. The Government is seeking to reach a deal for the redevelopment of the Nimba railway to access rich iron ore deposits. As part of this redevelopment scheme the Government hopes that a private military company can be hired that would protect the project but also provide extra helicopter capacity for the Government in lieu of taxes in the manner that the Royal Timber Company has done.

B. Many Serbian weapons in Liberia

71. The Panel independently verified that all the weapons listed in table 1, including 5,000 M70 AB2 (7.62x39 mm) automatic rifles, were delivered to Liberia

in six shipments, from June to August 2002. The weapons were distributed rapidly throughout Liberia and the Panel observed them in the possession of Government troops in upper Lofa County and Monrovia and in the possession of LURD non-State actors at Bo-Waterside and Tubmanburg (these were captured from the Government). A photograph taken by the Panel of the serial number 2002 M70 AB2 799718 from one of these weapons is in annex IV. The Panel also examined two AFL weapon inventories for Bo-Waterside and Robertsport dated 8 July 2002 and 16 October 2002. The serial numbers for 13 M70 automatic rifles were listed.

72. From its examination of weapons and inventories the Panel recorded a total of 66 serial numbers of M70 automatic rifles from Liberia and provided these to the Ministry of Defence in Belgrade. The Serbian authorities confirmed that all of those weapons were manufactured by the Serbian company Zastava in 2001 and 2002 and that the numbers matched the batch numbers of weapons that the Temex officials had claimed were destined for the Ministry of Defence in Nigeria.

73. Subsequently the Ministry of Foreign Affairs of Nigeria in a letter dated 28 November 2002 to the Embassy of the Federal Republic of Yugoslavia in Lagos emphasized that "End-user certificates purportedly issued by the Nigerian Government for the purchase of arms and ammunition from a Yugoslav company are not, repeat not, genuine documents" (see S/2002/1115, annex V).

C. Slobodan Tešic and Temex

74. The Panel further corroborated evidence for the role of Slobodan Tešic (or Tezic) as the chief sanctions buster, including evidence for three visits to Monrovia. Substantial evidence was secured both in West Africa and in Serbia that weapons manufactured in 2001 and 2002 were sold to Liberia by Mr. Tešic through his Temex company. Information gathered by the Panel justifies the suspicion that Mr. Tešic and newly identified partners to this day are scheming to export Serbian-manufactured arms to Liberia.

75. Mr. Tešic maintained that he had been introduced to a Mr. Ebenezer of a Nigerian company called Aruna Import by a Serbian business partner, Orhan Dragaš, and that all arrangements were made by the client and the freight forwarding agent Interjug AS. Mr. Tešic denied that he had ever visited Liberia and said that he believed the weapons to be for Nigeria.

D. Slobodan Tešic in Monrovia

76. During its recent investigation the Panel established that the names of Mr. Tešic and Mr. Dragaš were entered in the register of the Royal Hotel in Monrovia for 1 August 2002 (see annex V). Aleksic Jovan of the Serbian company Aviogenex accompanied them. The Panel obtained a copy of Mr. Dragaš's passport from Belgrade and matched its number with that entered in the hotel registry in Monrovia.

77. The Panel further established that Mr. Tešic, Mr. Jovan and Mr. Dragaš travelled to Liberia on a charter flight. According to eyewitnesses they carried with them various gifts including computers and bulletproof vests and were met by Emmanuel Shaw, the Managing Director of LoneStar Airways. This was the second visit that Mr. Tešic made to Monrovia.

78. The Panel found bookings from 9 to 12 July 2002 at the Mamba Point Hotel in Monrovia for Aleksic Jovan and two other individuals (rooms 38, 39 and 40), one of

whom was Mr. Tešic and the other Mr. Dragaš (the Panel photographed this entry, the original of which has been deposited on file with the United Nations Secretariat). Mr. Jovan booked the rooms on behalf of the "Lone Star Airline Company". The Panel confirmed that Mr. Tešic and Mr. Jovan stayed at the Mamba Point. It also confirmed that the Managing Director of LoneStar Airways, Mr. Shaw, arranged during their stay in Monrovia for a visit to the Liberian Produce Marketing Corporation.

79. Soon after the return of these men to Belgrade from Monrovia on 16 July 2002, the Yugoslav authorities temporarily stopped the fifth consignment of military equipment organized by Temex. It took another month for Interjug AS to charter a new aircraft. During this period Aviogenex lobbied the Federal Yugoslav Civil Aviation Authority to permit a Tripoli-based company, Buraq Air, to fly the cargo on its Ilyushin 76 aircraft. Unease on the part of the Yugoslav authorities about the involvement of a Tripoli-linked company in the transportation of weapons eventually resulted in the chartering of a Lockheed aircraft from Ducor World Airlines. A crew member of the Lockheed told the Panel that a man fitting the description of Mr. Tešic flew with them. According to the Chief Executive Officer of Ducor, Duane Egli, his crew were threatened with physical harm at Belgrade Airport and forced to fly to Liberia. "This is the only time in my many years of flying that this has happened", he told the Panel when it interviewed him in his office at Ostende Airport (Belgium).

E. Payments for the weapons

80. Mr. Tešic claimed that he received $500,000 in cash from Mr. Ebenezer of Aruna Import Company, Nigeria, during an encounter at the border town of Sobotitya in Serbia in the first quarter of 2002. He also stated that this money was deposited in a Belgrade bank account by one of his employees. An investigation by the Serbian authorities of the flow of money generated by the six arms shipments revealed that Mr. Tešic received a number of bank transfers and cash deposits to bank accounts which are either in Mr. Tešic's name or over which he maintains indirect control (see table 2).

Table 2
Bank transfers and cash deposits in favour of Slobodan Tešic
(United States dollars)

Transaction	*Account number*
90 000.00 into Komercijalna Banka AD, Belgrade	4533-0-69398
78 615.37 into Delta Banka AD, Belgrade	743509665
198 384.63 into Delta Banka AD, Belgrade	743509664
23 785.05 into Delta Banka AD, Belgrade	743509737
253 514.95 into Delta Banka AD, Belgrade	743509738
8.30 into Delta Banka AD, Belgrade	743144493
186 867.50 into Delta Banka AD, Belgrade	743144493
28 026.88 into Delta Banka AD, Belgrade	743144495

81. The deposits of $90,000 and $198,384.63 were initiated by someone purporting to be a representative of the Finding Investment Company, Monrovia.

82. The total of these payments is $859,202.68 while the value of the exported weapons as evidenced by Temex is $1,313,870.22 (see table 3). The Serbian Police has no information on how the difference of $454,667.54 was collected by Mr. Tešic.

83. For further corroboration, the Serbian Police provided the Panel with a summary of the invoices per shipment.

Table 3
Summary of invoices per weapons shipment
(United States dollars)

First shipment	168 615.37				
Second shipment	222 169.68				
Third shipment	253 523.25				
Fourth shipment	161 480.00	Plus	25 387.50		
Fifth shipment	310 675.00	Plus	1 520.00	plus	45 028.61
Sixth shipment	40 907.00	Plus	84 563.21		

84. The Serbian Economic Crime Police assume that the actual value of the arms sold may be significantly higher and that Mr. Tešic may have underreported his profits. Mr. Tešic, on the other hand, testified that the sales price of the shipped arms was $975,000, of which he received only $500,000.

85. Whichever version one wants to believe, it is certain that some money did not reach Mr. Tešic's Serbian bank accounts. A possible motivation may be recent changes in Serbian money-laundering legislation. In his attempt to appear compliant with Serbian law, Mr. Tešic had to make sure that the value of the weapons he alleged to export to Nigeria was reflected in the incoming money flows. Mr. Tešic had to hide whatever surplus money he had been able to earn for his sanctions-busting efforts. For this purpose he may have devised an elaborate scheme involving Waxom and Swiss bank accounts (see box).

86. A payment of $250,000 which was transferred on 9 May 2002 to a UBS Switzerland account owned by the principals of Waxom Anstalt may be part of the solution to the search for additional proceeds resulting from the six Liberian shipments. The Lebanese Al Marwarid Bank transferred the money from account No. 0001-202662-CC1 to Switzerland without identifying the beneficial owner of the account. A confidential informant involved in this transaction stated that these funds were transferred on behalf of Jeff Corporation.

87. A few days after the $250,000 had been credited to the Waxom account, Mr. Tešic ordered transfers of $5,000, $100,000 and $45,000 to three different accounts of individuals probably not connected with the embargo violations. An additional amount of $90,000 was transmitted to a Serbian account belonging to Mr. Tešic (see table 2).

The Waxom-Temex-Jeff connection

When the Panel investigated in 2002 the six Temex shipments to Liberia it was told that the facilitator company Waxom Anstalt did not exist. With the help of the authorities of Liechtenstein the Panel has been able to locate Waxom Anstalt and extend the investigation further.

Waxom Anstalt was registered in Vaduz on 3 April 2002 as an accounting and billing affiliate of a Serbian trading company. The principals of both the Liechtenstein company and the Serbian trading enterprises appear to have been drawn innocently into the Liberian sanction violations orchestrated by Slobodan Tešic and Temex. Some information indicates that these activities may also be connected with sanctions-busting by Iraq.

Through Waxom Anstalt, Mr. Tešic used the Liechtenstein firm and its associated Swiss bank accounts for a joint venture deal with a Bulgarian national, Petar Kostadinov Sinapov, and his Jeff Corporation. Mr. Sinapov has since 11 November 2002 been sought by Interpol because of his alleged involvement in the illegal shipment of reductor parts to Iraq. He is currently also under investigation by the Bulgarian law enforcement authorities. According to Bulgarian authorities, Mr. Sinapov is 100 per cent in control of the British Virgin Islands-registered Jeff Corporation and a Cyprus-registered subsidiary of the same name.

Although there is no registration for Jeff Corporation Ltd. in Bulgaria, Mr. Sinapov maintains a Bulgarian address at 44-48 Kritchim Str., Sofia. He entered into an agreement with Temex Co. in March 2002 for the sale of truck tyres valued at $590,290 (see annex VI). For reasons one can only suspect, Mr. Tešic chose to appoint the principals of Waxom as representatives for the transaction with Jeff Corporation and signed an agency contract which entrusts a Liechtenstein-based fiduciary as a record keeper and acting agent. Neither the extraordinary secrecy nor the added expense resulting from the services of the Liechtenstein fiduciary justifies a simple $590,000 tyre deal. The prosecutor of Liechtenstein has opened an investigation into this matter and has already confiscated all the relevant documents.

Although the Panel has not found solid evidence for a linkage between the Temex-Jeff contract with the Liberian arms shipments, there is the incontrovertible evidence already presented in the previous report of the Panel (S/2002/1115, para. 75) that, acting as a representative of the Ministry of Defence of Nigeria (the alleged buyer), the original Liberian-registered Finding Investment Company was replaced by Waxom Co., the corporate box in which the Temex-Jeff contract is hidden.

F. The Serbian connection continues

88. On behalf of LoneStar Airways Mr. Shaw signed in February 2003 a lease agreement with the Belgrade-based Aviogenex for a Boeing 727-200, on the Serbian register (YU-AKD). The "Pepper Bird" as this plane is locally called, will be joined by a second Boeing 727-200 from Aviogenex (registration YU-AKM) in the near future.

89. Mr. Shaw is the managing director of LoneStar Airways and an economic adviser to President Taylor. The Panel attempted to talk to him about his involvement with Aviogenex and Temex, making countless telephone calls, visits to his offices and finally submitting a detailed letter of questions. To date there has been no reply. The President of LoneStar Airways is Benoni Urey, Commissioner of Maritime Affairs, who was documented by the Panel as a key player in diverting funds from the Liberia Ship and Corporate Registry (LISCR) to fund procurement and transportation of weapons in violation of United Nations sanctions (see S/2001/1015).

90. Table 4 shows how the LoneStar call sign was used in November and December 2002 and February 2003 for flights from Burkina Faso to Liberia on which military supplies were suspected. The LoneStar Airways and Aviogenex joint venture for two Boeing 727-200 aircraft would provide the Government of Liberia with an enhanced domestic capacity for transportation of weapons in violation of United Nations sanctions. The range and capacity of these aircraft are ideal for rapid shipment of light weapons and ammunition and these aircraft could have dual use as revenue generator with passenger traffic and arms transporter when necessary.

G. The Belgrade-Congo-Liberia connection?

91. The Panel is concerned that further shipments of weapons are planned from Belgrade to Liberia via the Democratic Republic of the Congo. A letter has been already sent by the Panel to the Government of the Democratic Republic of the Congo requesting clarification on whether the end-user certificate issued by their Ministry of Defence (see box) is authentic. There has been no reply.

92. There are many similarities between this proposed shipment and the shipments of weapons to Liberia by Temex from June to August 2002:

- The weapons listed in the "Democratic Republic of the Congo" end-user certificate are the same types and from the same factories as the 2002 shipments.
- Temex is involved in this deal and has had a relationship with Jeff Corporation since March 2002 (see annex VI).
- The transportation company is Ducor World Airlines with its Lockheed 3C-QRL and its sister aircraft 3C-QRQ standing by.
- The forwarding company is Interjug AS.
- Interjug AS lobbies aggressively the Civil Aviation Authority to obtain a permit for Ducor.
- The forwarding agent, Ljubo Milenkovic, is the same.

The Democratic Republic of the Congo end-user certificate

République démocratique du Congo
Ministère de la Défense nationale
La Ministre delgue [sic]

End-user Certificate

This is to confirm that the Ministry of Defence of the Democratic Republic of the Congo hereby authorizes the JEFF Corporation LTD Company, British Virgin Islands, to purchase through "ZASTAVA" Kragujevac, PRVIPARTIZAN, UZICE, Serbia, the following products:

No SERIE	DESCRIPTION	QUANTITY	OBS
01	Ammunition 7.62x39	10 000 000	
02	Ammunition 7.62x54 mm	5,000 000	
03	Assault rifle 7.62 M70AB2	5 000	
04	Machine gun PKM (M84)	100	
05	Automatic grenades for RB-M57	30	
06	30 mm grenades for RB-M57	10 000	
07	Hand rocket launcher RB-M57	1 000	
08	Round 90 mm for RB-M57	10 000	
09	Pistol CZ 99	500	
10	Ammunition 9 mm	500 000	

Ministry of Defence Democratic Republic of the Congo hereto undertakes and confirms that the above-mentioned equipment will not be re-exported or transferred to another ountry [sic] without written permission of the Serbia authorities and will be used for the defence of the Democratic Republic of the Congo

Kinshasa, the 27th February 2003
Minister Delegate to National Defence
IRUNG-A-WAN

93. The Serbian Civil Aviation Authority has refused Ducor World Airlines permission to land in Belgrade, demonstrating the importance of an independent civil aviation regulator in Serbia. The Panel has learned that the broker and Ducor are considering moving the loading airport to Sarajevo to avoid the Belgrade delay.

94. As noted in table 4 the Panel has found a number of cargo flights that originated in Kinshasa and landed at Robertsfield International Airport in 2003. These flights have been reported to the Panel as having carried military equipment. It is very possible that although the weapons in the new Belgrade case might initially be flown to the Democratic Republic of the Congo, the final end user of the military equipment is the Government of Liberia.

H. Other shipments

95. The six shipments of weapons from Belgrade were a significant boost to the Government of Liberia but they are not the only recent deliveries. The Panel continued to gather evidence that proved that the Liberian authorities still depend on the use of aircraft for arms procurement. Despite the uncooperative attitude of the Liberian authorities, the Panel was able to identify certain unscheduled suspect cargo flights by analysing information gathered from air traffic controllers in several African and European countries and comparing them with the Daily Flight Summary log books of Robertsfield International Airport. The Panel has established that from 1 October 2002 to 28 February 2003 a total of 104 flights known to the Panel do not appear in the Robertsfield logs. On the basis of testimony of eyewitnesses, describing the unloading of ammunition from the flights, the Panel suspects that at least six of those unrecorded flights violated the United Nations arms embargo.

Table 4
Suspicious flights

Date	*Aircraft call sign*	*Aircraft type*	*Registration*	*Route*
27 November 2002	NL 003	MD 83	SU BMP	OUAGA/RIA
27 November 2002	NL 004	MD 83	SU BMP	OUAGA/RIA
28 November 2002	NL 002	MD 83	SU BMP	OUAGA/RIA
28 November 2002	LXO 0778	MD 83	SU BMF	RIA/ASWAN
30 November 2002	NL 003	YK 40	RA 87260	OUAGA/RIA
12 December 2002	ALI 004	YK 40	RA 87260	OUAGA/RIA
13 December 2002	ALI 005	MD 83	SU BMF	OUAGA/RIA
13 January 2003	AZZ 210	IL 76	ST APS	OUAGA/RIA
14 January 2003	RELIEF 103	IL 76	ST APS	RIA/KINSHASA
17 January 2003	RELIEF 102	IL 76	ST APS	KINSHASA/RIA
17 January 2003	RELIEF 102	IL 76	ST APS	RIA/KINSHASA
17 February 2003	NL 004	MD 83	SU BMF	OUAGA/RIA
17 February 2003	LX O779	MD 83	SU BMF	RIA/CAIRO

National registration: RA: Russian Federation; ST: Sudan; SU: Egypt.
Companies: ALI: Air Liberia; AZZ: Azza Transport Co. Ltd. (Sudan); LXO: Luxor Air (Egypt); NL: LoneStar Airways (chartered by Government of Liberia); RELIEF: Relief Transport Services Ltd. (United Kingdom).

96. These flights may be ferry flights from Ouagadougou in November and December 2002 and February 2003 and from Kinshasa in January 2003. One of the chartering firms was Mr. Shaw's LoneStar Airways. The air transportation companies themselves when requested for information have been mostly uncooperative. According to a letter received on 14 April from the Permanent Mission of Egypt to the United Nations, Luxor Air has executed four flights to Liberia and these were "utilized solely to carry business persons".

I. Use of ships in the transportation of arms

97. Although numerous rivers flow into the Atlantic Ocean, there are no natural deep-water harbours in Liberia. The four ports are Monrovia, Buchanan, Greenville and Harper. All of the ports need constant dredging. The two main ports are Monrovia and Buchanan. Monrovia is the prime port and controls most of the general trade. Berthing space is limited and arrangements are currently under way to clear one of the wrecks from alongside the wharf. A separate oil jetty provides for oil tankers and there is a derelict bulk iron ore jetty. Ships are restricted to a draught of 30 feet. Cargo handling, both for general cargo and containers, is limited, and ships have to use their own rigging.

98. Coastal fishing vessels mostly from neighbouring countries use the separate jetty. Pilotage is compulsory in all ports but only two pilots appear on the payroll of the National Port Authority. Tugs are available.

99. The Panel visited Monrovia Free Port and met with the Managing Director of the National Port Authority, Alphonso Gaye. Initially he refused to cooperate with the Panel but eventually provided a written submission to the Panel's questionnaire (dated 14 March 2003). Significantly he did not provide any details of ships that called at Buchanan despite having been requested to.

100. As shipping increasingly embraces containerization of cargo it has become simple to transport commodities without any party knowing what is being shipped. The containers are stuffed and sealed at the point of origin and remain unopened until their final destination.

101. Inspection in Liberia may also miss what is unloaded. The Ministry of Commerce and Industry signed a contract in October 1997 with the French company Bivac International to provide pre-shipment inspections of all imports and exports. The contract provided for supervision of quality and quantity, price verification, customs classification and assessment of value for customs purposes for all imports and quality, quantity and price verification for all exports. The contract recently expired but is pending renewal. Services are still being carried out under the previous contract and a new contract is being negotiated.

102. Bivac International provided the Panel with detailed information about its activities. Bivac submits detailed monthly reports on its activities to the Ministry of Commerce and Industry and copies of the reports of August 2002 and February 2003 were made available to the Panel for study.

103. It was observed that random exemptions are issued by the Government for imported goods and Bivac has no alternative but to comply. For all the exemptions, Bivac has no verification of the goods. The description of goods on the monthly reports is all that is provided by the exemption authority and military equipment could easily be imported without Bivac's knowledge.

104. In Liberia's case it is unlikely that many weapons are currently brought by sea, for the following reasons:

- The requirement for arms is relatively small and there are few signs of heavy armament being involved.
- Quick delivery by air has less chance of detection, as the transit time is short.
- It is easier to change route and delivery time through air cargo.
- Quick turn-around time by delivering aircraft leaves less chance for discovery.

105. The allegation that logging ships are regularly used to bring weapons into Liberia is difficult to prove. The companies involved in this trade are increasingly aware that if they knowingly involve themselves in such activities they could jeopardize their investment. A number of unconfirmed reports about weapons arriving in Liberia by ship mostly cited Buchanan as the port of call. The Panel found verification of those reports difficult and its task was not helped by the National Port Authority's policy of minimal cooperation. The Panel also attempted to visit Buchanan but was refused security clearance by the United Nations. Joseph Wong of the Oriental Timber Corporation and his port master in Buchanan provided the Panel with all the information they requested about ship movements through Buchanan. He denied that any weapon shipments passed through the port but the Panel believes that two specific cases of alleged weapon deliveries by ship merit further investigation:

- Eyewitness accounts were obtained of towed artillery pieces being unloaded from a ship at Buchanan in March 2003.
- A vessel arrived in Harper on 6 April 2003 and unloaded weapons. This was the first significant shipment to Harper and may reflect the Government's plans to enhance security there in response to increased activity by armed non-State actors in the area.

106. The Panel also investigated reports that a vessel, BV-2, had been involved in a violation of United Nations sanctions. BV-2 is a Liberian Coast Guard patrol vessel only 20 m long and it lacks container capacity. It is captained by Kofi Klogba and may have been used in 2003 to transport limited military supplies loaded in Monrovia to ports along the coast, but this does not represent a sanctions-busting activity in itself.

II. Liberians United for Reconciliation and Democracy

107. The armed non-State actor Liberians United for Reconciliation and Democracy is under the arms embargo. The Panel interviewed LURD in Guinea and in Liberia at Bo-Waterside where it examined their weapons. LURD do not appear to realize that they are under a United Nations arms embargo and freely showed their weapons to the Panel.

108. A significant number of the weapons examined by the Panel were M70 AB2 automatic rifles — their serial numbers matched the shipments to the Government of Liberia of June to August 2002 reported above. This gives credence to LURD claims that they use captured weapons.

109. In addition to assault rifles, LURD have RPG-7 rocket-propelled grenade launchers, PKM light machine guns, RPK and RPD machine guns and a small number of FN FAL rifles. They also have two British-made 81-mm mortars and eight DSHK 12.7-mm heavy machine guns, and at least two BZT 14.5-mm anti-aircraft artillery pieces.

110. A Conakry-based mining and trading company, Katex Mine, has been cited by a number of diplomatic missions in Conakry and an official as having played a role in the supply of weapons to LURD. It is responsible for two Ilyushin 76 flights from Tripoli to Conakry in November and December 2002 with hazardous cargo. Attempts by the Panel to discuss these allegations with Katex Mine in Conakry were unsuccessful but this case merits further investigation. LURD operatives told the Panel that weapons delivered in Conakry are trucked up to Macenta.

111. There are also reports that Guinean liaison officers travel inside Liberia with LURD. Film footage of LURD shows individuals in Guinean military uniform travelling from the Guinean border deep into Liberia as far as Tubmanburg (see annex VII). The Panel has been unable to establish whether these individuals are serving Guinean officers or not.

False Guinean and Ivorian end-user certificates (annexes VIII.A and B)

The Panel has also obtained a copy of a Guinean end-user certificate that circulated in Belarus and Slovakia late in 2002. A copy was obtained from Belarus by the Panel. Although the Government of Guinea has informed the Panel that the certificate is a fake, it has circulated among individuals in Eastern Europe who have operated through Guinea in the past and obtained weapons both for the Government of Guinea and for individuals seeking to violate the Liberia embargo. In a previous report (S/2001/1015, annex 6), another false Guinean end-user certificate was reproduced, which had been used as cover to purchase military equipment for the Government of Liberia in violation of United Nations sanctions. This end-user certificate could have been used to seek supplies for LURD or the Government of Liberia and once more illustrates the need for the end-user certificate system to be reformed.

The Panel also established that the Ivorian end-user certificate it published as annex 4 to document S/2001/1015 is fraudulent. The Ivorian Ministry of Defence showed the Panel a genuine certificate and agreed that having a standardized system for end-user certificates could avoid this type of problem.

Strela surface-to-air missiles in LURD hands

112. The Panel also examined film footage from August 2002 that showed several hundred M70 assault rifles captured in Tubmanburg. Serial numbers from these also matched the six Belgrade shipments of 2002 (see para. 72 above). The Panel has also obtained film footage of LURD members in Liberia handling nine Strela surface-to-air missiles. LURD claim that these were captured from Liberian-backed dissidents who invaded Guinea in 2000 and they appear to match a sanctions-busting shipment of weapons organized by Sanjivan Ruprah and delivered to Liberia in May 2000 by an Ilyushin-76 (registration TL-ACU) of the now defunct Centrafrican Airlines run by arms dealer Victor Bout (see S/2001/1015). The Panel has obtained a copy of the shipment order obtained by Belgian Police from Mr. Ruprah when they detained him in 2002. LURD in all probability were given these weapons by Guinean forces after they captured the weapons from the Liberian-backed dissidents during fighting in Guinea in 2000.

III. Movement for Democracy in Liberia

113. This group known as the Movement for Democracy in Liberia (MODEL) appears well armed but the Panel was unable to obtain credible information about what types of weapons are used and their origin.

Part three
Civil aviation

I. Airspace management

114. Guinea, Liberia and Sierra Leone agreed in 1975 to control jointly their respective airspace under the Robertsfield Flight Information Region (Roberts FIR). Since 2001, Liberia had opted unilaterally to exercise temporary control of its airspace, which it claims is its sovereign right. The Liberian authorities say they wish to increase national security and the Panel believes that this was in part an attempt to hide sanctions-busting flights to Liberia.

115. As part of this strategy of non-cooperation RIA does not apply the rules for air traffic services related to airspace division and responsibilities as defined in the letter of agreement signed in 2001 between the Flight Information Region and the Approach Control Unit of Robertsfield International Airport. This practice is dangerous for air safety and has led to a rise in the number of poor coordination incidents. The Panel analysed flight movements in the region from 1 October 2002 to 28 February 2003 and discovered that only 98 of the 979 movements it noted had been coordinated. This is just 10 per cent of flight movements and is a very dangerous situation.

116. A ministerial meeting held in Dakar on 3 March 2003 under the auspices of the ICAO regional office aimed to try to improve this situation within Roberts FIR.

117. The meeting noted that better cooperation was needed to enhance efficiency in airspace management and air safety. The meeting also noted that in order to ensure safe air navigation, all air traffic service units must operate in accordance with ICAO provisions on coordination of air traffic.

118. Roberts FIR has a number of outstanding shortcomings and deficiencies in this regard and by opting out of the FIR agreement Liberia has seriously compromised safety.

119. Liberia reaffirmed that it will still control its national airspace but its Minister and those of Guinea and Sierra Leone adopted the following principles at the Dakar meeting:

- Commitment to maintain the integrity of Roberts FIR, and to resume normal operations for the FIR soon.
- Commitment to hold a meeting of the Ministers within three months to discuss operational issues for the resumption of FIR.
- Quick action to reactivate the international satellite air telecommunication circuits at RIA to ensure a safe, orderly and efficient flow of air traffic within the FIR.
- ICAO and Roberts FIR secretariat to undertake a joint assessment mission in Liberia and in other member States to identify future needs and corrective measures.

II. Aircraft registry

120. To fulfil the demand in resolution 1343 (2001) that Liberia "ground all Liberia-registered aircraft operating within its jurisdiction until it updates its register of aircraft pursuant to annex VII to the Chicago Convention on International Civil Aviation of 1944 and provides to the Council the updated information concerning the registration and ownership of each aircraft registered in Liberia", the Government of Liberia has prepared and approved a comprehensive document. This document has been sent to ICAO and distributed and the national registration has been changed from "EL" to "A8". This new registry has remained inactive.

III. Investigation of the Antonov 12 crash of 2002

121. The Panel has reported on the Antonov 12 aircraft from Chad that crashed at RIA in its previous reports (see S/2002/1115 and S/2002/470) and suspects that the flight carried weapons in violation of United Nations sanctions. No new information was provided to the Panel despite a renewed information request.

122. The Ministry of Transport reported that there is a lack of information on the aircraft and its crew, since the crew has long since departed and the country of registration (Republic of Moldova) has not responded to a request of the Government of Liberia to assist with the investigation. The Panel believes that this is a cover-up by the Liberian authorities because of the controversial cargo.

123. Liberia can, if it wishes, still comply with ICAO annex 13 requirements on accident investigation. Because of Liberia's refusal to provide a report:

- ICAO cannot draw a conclusion permitting pilots, airlines and air traffic controllers to avoid a repeat accident.
- Families of victims will never know what happened and why.
- No compensation can be paid.

124. To obtain additional facts about the aircraft the Panel travelled to Chad to meet with the Ministers of Transport, Defence, Finance and Budget. No new information was provided. The Panel did not obtain a meeting with the Minister of Foreign Affairs in spite of numerous attempts. Subsequent letters sent to Ndjamena by the Panel have received no reply.

Part four
Diamonds

I. Control of diamond areas a military priority for LURD and Government

125. The Panel interviewed a number of diamond dealers and brokers and artisanal miners. In 2003 there are three registered dealers and five registered brokers. All complained about the security situation and its impact on domestic production. The most worrying development is that the LURD forces seem to be seriously seeking to occupy the key mining areas such as Lofa Bridge, Camp Israel, Smith Camp and

Weasua (Wiesua) in western Liberia. LURD appears to want to generate independent revenue for its war effort through diamond production. LURD fighters confirmed to the Panel that they had started engaging in more regular diamond traffic, especially through Guinea. This had been a source of debate and tension in the leadership but some commanders now appeared anxious to have independent income from Guinea.

126. The Minister of Defence, Daniel Chea, briefed the Panel about this and said it was one of his prime objectives to deny LURD sustained access to diamond production. In the current context it would be difficult to find an area of Liberia from which rough diamonds could be declared conflict free.

127. These recent developments confirm long-held fears that diamonds are of great strategic value for all armed groups and further affirm the importance of the Kimberley Process.

128. Sanctions were imposed on the export of Liberian rough diamonds after the Panel of Experts on Sierra Leone reported its findings (see S/2000/1195). That report illustrated how diamonds far in excess of the quality and quantity available in Liberia had been imported into Belgium. In most cases those diamonds were part of an illicit trade from other countries, using Liberia as a label of convenience.

129. The imposition of an embargo, coupled with progress in the Sierra Leone peace process, has resulted in the disappearance of Liberian-labelled rough diamonds from international markets. There are no recorded cases of official imports of Liberian rough diamonds since May 2001.

130. Smuggling of rough diamonds from Liberia did continue and in its reports (S/2001/1015, S/2002/470 and S/2002/1115) the Panel of Experts reported that Liberian rough diamonds had been smuggled to the neighbouring countries of Sierra Leone, Guinea and Côte d'Ivoire. Such smuggling has declined because of insecurity inside Liberia. Insecurity in Côte d'Ivoire since September 2002 has also affected the Liberian illicit diamond trade through Abidjan.

II. Kimberley Process Certification Scheme

131. The Kimberley Process Certification Scheme for trade in rough diamonds was launched on 5 November 2002 following the 12th meeting of the Kimberley Process, held at Interlaken, Switzerland. Over 50 Governments and the European Union stated their readiness to implement the Certification Scheme with effect from 1 January 2003. Although on the appointed day only a handful of countries were ready, implementation has begun. The European Union entered the process on 13 February. There is no common certificate, so each of the 50-odd members has to print and circulate its own Kimberley-compatible certificates.

132. The scheme is basically an export and import control regime. Producer countries will control the production and transport of rough diamonds. Shipments of rough diamonds will be sealed in tamper-resistant containers and a Kimberley Process certificate issued for each shipment. Re-exporting countries will ensure that only rough diamonds that have a Kimberley Process certificate enter the chain of transactions from import to export. Imports of rough diamonds not accompanied by a Kimberley Process certificate issued by a Process participant will be banned.

A. Liberia

133. Liberia has made some progress in establishing a credible diamond certification system since the Panel submitted its previous report (S/2002/1115). The Government of Liberia with Initiative, a South African consulting firm, and venture capital from the Johannesburg-based African Merchant Bank Limited has developed a plan for the development of a national certificate of origin. A new draft certificate has been drawn up and the Ministry of Land, Mines and Energy reports that it has set in motion measures that will ensure that only diamonds mined in Liberia will be exported with the Kimberley Process certificate of origin, once the diamond ban has been lifted.

134. According to the Minister of Land, Mines and Energy, Jenkins Dunbar, a high-quality tamper-proof certificate has been developed by a leading international banknote printing company and a draft amendment of the mineral and mining law has been submitted to parliament to ensure it is compatible with the Kimberley Process.

135. The other new measures the Ministry wants to implement are the organization of all licensed miners into cooperatives, a system to monitor the production of all miners and a plan to introduce a computerized system of identifying all miners while tracking their production and sales to licensed buyers.

136. The Ministry of Land, Mines and Energy is the coordinator of the scheme in partnership with the Ministry of Finance and the Central Bank of Liberia. The Ministry of Land, Mines and Energy hopes to open a Mineral Appraisal and Certificate Centre, which would be equipped with computers and linked to the Internet so that it can provide the services required by the Kimberley Process.

137. Liberia has also approached South Africa, which chairs the Kimberley Process, for admission. It has submitted all its paperwork and the Minister of Land, Mines and Energy informed the Panel that he had been told by the chair that Liberia could join if the Security Council lifted the diamond embargo.

138. The biggest immediate challenge Liberia has to face is its current conflict. While this continues, no area of Liberia can be defined as "conflict free". There needs to be a neutral objective production assessment by an independent diamond mining or geological consultancy company of international repute. The purpose of this should be to identify only those diamonds that have been produced from Liberian soil. The Panel continues to hear about stockpiled Sierra Leone diamonds in Liberia.

139. A second step is for a detailed survey to determine who produces which type of diamond, and where. This will be practical only when the current armed conflict has abated, as territorial control is currently fluid and many diamond-producing areas are insecure. A key reason for the creation of the Kimberley Process was to ensure that diamonds entering international markets were conflict free.

Smuggling Liberian diamonds through Australia

Capitalizing on the announcement by the Government of Liberia that it had a Kimberley certificate in place, a company named Orbal Marketing Services Liberia Limited distributed a promotional flyer to diamond companies early in 2003 (see annex IX). Orbal Marketing claimed that the United Nations embargo on Liberian diamonds had been lifted and that it could organize the purchase of Liberian rough diamonds through its representative office in Melbourne, Australia, run by the Liberian Consul to Melbourne. An investigation by the Panel found that the Liberian postal address "95 UN Drive, Namba Point, Monrovia" does not exist. The Melbourne address does and the Panel informed the Australian authorities about this possible violation of the embargo. An enquiry by the Panel to the Liberian Ministry of Foreign Affairs as to whether R. M. Jenkins was Liberia's Consul to Melbourne was not answered.

B. Sierra Leone, Guinea and Côte d'Ivoire

140. Sierra Leone has had a fully functional Kimberley Process certificate-of-origin scheme since October 2000. This was established by the Government of Sierra Leone pursuant to Security Council resolution 1306 (2000). Since then there has been an upsurge in diamond exports. The figures in table 5 clearly show yearly growth in exports.

Table 5
Sierra Leone diamond export statistics

Year	*Weight in carats*	*Value (United States dollars)*
2000	77 372.39	10 066 926.81
2001	225 519.83	26 022 492.27
2002	351 859.23	41 732 130.30
2003	78 555.73	11 179 000.52 (as at 28 February 2003)

Source: Government Gold and Diamond Office, Freetown.

141. The increase in the value in exports in 2001 followed the introduction of the scheme (160 per cent increase). Since then there has been gradual but strong growth in export volume. The export prospects continue to look good. As at 28 February 2003, the average monthly export was about $5.8 million. This exceeds the monthly exports of preceding years and production is forecast to rise to $7 million a month when Kimberlite production begins in July 2003. Since the end of the disarmament process, more than 1,000 diamond-mining licences have been issued in 44 chiefdoms.

142. Smuggling still accounts for over 50 per cent of the trade. The Government Gold and Diamond Office estimated that total production is currently worth around $100 million per annum and higher quality stones are passing through the certification scheme, indicating that an increasing number of individuals are turning to the licit trade for the high value stones.

143. However, the infrastructure in the diamond-rich areas is severely damaged, and there is still tension between the indigenous people there and other groups. The restoration of effective government control over these diamond-mining areas remains urgent. The existence of strident youth groups and predatory traders has contributed to an atmosphere of distrust and tension.

144. The Government of Sierra Leone has launched, with co-financing from UNDP, a Diamonds for Development initiative that is designed to set up community-based projects in diamond-producing chiefdoms. Efforts to contribute to peace and prosperity through community-based initiatives were also spearheaded in Kono with the formation of the Kono Peace Diamond Alliance.

145. A diamond sector policy workshop in March 2003, sponsored by the United Kingdom Government Department for International Development, addressed the main issues affecting the diamond-mining industry in Sierra Leone, such as the development and better enforcement of an appropriate legal and regulatory regime and the creation of a more conducive business environment. A comprehensive survey of all licensed plots will be an important contribution to this.

146. Guinea also saw an increase in its diamond exports through 2002 under its Kimberley Process Certification Scheme. A total of 646,772,69 carats worth $36,112,972.97 were exported.

147. Côte d'Ivoire in March 2003 finally submitted its application to join the Kimberley Process. The Panel of Experts attempted on many occasions to obtain details of exports and how this scheme would operate but found the Ivorian Ministry of Mines reluctant to share information. The Ministry did report that there had been no official exports of diamonds from Côte d'Ivoire since the outbreak of conflict in September 2002. Prior to the conflict, Côte d'Ivoire had become a prime transit point for smuggled Liberian rough diamonds. The Panel had on previous visits been offered Liberian diamonds from three known dealers.

Part five
Revenue and government expenditure

I. Overview

148. The Government of President Taylor, burdened with debt, excluded from IMF voting rights, with a rapidly shrinking tax base and other adverse economic factors, has difficulty in finding funding for humanitarian needs while at the same time sustaining high military expenditures. Liberia's current economic crisis is a perfect formula for increased violence and instability. The Government of Liberia has no resources to deal with these problems.

149. By early April 2003 hostilities had spread to eastern Liberia, and have stopped the logging activities of the Oriental Timber Corporation, by far the largest employer in that region. With most other logging companies long out of business and the withdrawal of the international aid agencies after recent killings and abductions of international staff members, only Firestone and the Government of Liberia remain significant employers in the country. Wages for government employees have remained unpaid for many months.

150. This cash crunch forced the Government of Liberia in 2002 to introduce indirect taxes, further burdening a population which already is unemployed at a rate of 85 per cent and has been unable to pay income taxes for some time. Looting and illegal toll-raising by hungry security forces, extortion of pay-offs and other corrupt payments jeopardize any remaining prospect for economic stabilization and will discourage capital inflow by private foreign investors.

II. Extrabudgetary income

151. Revenues have never exceeded $85 million in the last five years, and all external credit facilities are long exhausted. Cuts in the almost non-existent government services are no longer possible and undisclosed, extrabudgetary income has become a prime source for funding defence expenditure.

152. The Panel finally obtained evidence of extrabudgetary income from the private sector. The documentary evidence shows $7,500,000 in bank accounts whose use as part of official government business is highly doubtful. Two documents prove that these funds were used as payments for defence-related spending.

153. Nine payment instructions issued by the Deputy Finance Minister for Revenue, Juanita E. Neal, from 29 May 1999 to 10 April 2001 for a total of $7,500,000 to nine different bank accounts provide the best indications that the Government is using an elaborate network of foreign bank accounts to hide extrabudgetary income and expenditure. These funds represent more than 10 per cent of the average annual government revenues since 1999. It should be noted however, that many leading international observers believe that the official revenue data may be undervalued by as much as 50 per cent.

Table 6
Bank accounts used for tax payments

Banque Diamantaire Anversoise 12 rue Bellot Geneva	The relevant bank account has been identified with account No. 15462 and Sanjivan Ruprah is named as beneficial owner.
Hong Kong & Shanghai Banking Corp. Ltd. Marine Tower 5/F 1 Pudong Avenue, Shanghai	The relevant bank account has been identified with account No. 001 97476-055 and Shanghai Penalti Sporting, Healthcare Garments Co. Ltd. is named as beneficial owner.
Barclays Bank PLC 13, Library Place, St. Helier Jersey, JE48NE	The relevant bank account has been identified with account No. 85188799 US$, for Fred Rindel, and Dunraven Holdings ATS Ltd. is named as beneficial owner.
Nationsbank Florida New York	The relevant bank account has been identified with account No. 003068196199 and Global Trade and Associates Inc. is named as beneficial owner.

Marine Midland Bank New York Account No. 000 843709	The relevant bank account has been identified with account No. 04 00 00553 4, International Trust Co. of Liberia, and Hotel Africa is named as beneficial owner.
Bank of New York United States	The relevant bank account has been identified with account No. 6115 MMK, Inter Maritime Bank, Geneva, Switzerland, and Compania Maridel SA is named as beneficial owner.
Bankers Trust P.O. Box 318 Church Street Station New York, NY 10015	The relevant bank account has been identified with account No. 10410017212018 and Government of Liberia, Ecobank Liberia Limited is named as beneficial owner.
Citibank 399 Park Avenue New York, NY 10043	The relevant bank account has been identified with account No. 36006105 and Liberia Bank for Development and Investment is named as beneficial owner.
Citibank NA 399 Park Avenue New York, NY 10043 Account No. 36006105 FFC	The relevant bank account has been identified with account No. 111 000043 and GOL Tax is named as beneficial owner.

154. The Panel has invited the Government to identify which of the accounts in table 6 are legitimate.

155. At least in the case of the $500,000 paid by Borneo Jaya Pte Ltd., an affiliate of the Oriental Timber Corporation, to San Air previously reported by the Panel (S/2001/1015, para. 349), payment was made at the specific request of the Deputy Finance Minister for Revenue, Juanita E. Neal. The payment instruction further states: "This amount is due in taxes to the Government of Liberia. Flag receipts will be issued [to] your corporation as evidence of payment, as soon as acknowledgement is received from the bank".

156. If no contrary evidence is provided, the assumption must be that the Government of Liberia is coercing the Oriental Timber Corporation and other timber companies to violate the arms embargo.

III. Unreliable financial data

157. Owing to the irregular state of economic affairs, all published financial data, whether the sources are government agencies, private enterprises, international organizations or the Central Bank, should not be accepted as either accurate or reliable. The unreliability of the data is best illustrated with the example of reported government revenues in table 7.

Table 7
Conflicting government revenue reports

Source	*Reporting period*	*Amount (Liberian dollars)*
Central Bank	July 2000-June 2001	3 184 800 000
Ministry of Budget	July 2000-June 2001	4 142 000 000

158. The Panel will therefore not attempt to discuss the economic situation beyond the data it has been able to collect independently at source. Even these numbers must be viewed with caution since manufacturers, trading companies and even government inspectors routinely underreport in order to benefit from tax- and duty-savings or simply to minimize the appetite of corrupt government officials seeking their share of the bounty and are not likely to provide true data to the Panel.

IV. Gains from rice and fuel imports and taxation

159. Like many other countries, Liberia has contracted an independent firm to conduct pre-shipment inspections of its imports. Typically the pre-shipment inspection regime is employed to minimize loss of import duties. In Liberia however, pre-shipment inspections are severely restricted by a variety of exemptions and waivers certain importers have been granted by a large number of unidentified senior government officials. There is no economic justification for these exemptions. The granting of such waivers provides opportunities for illegal pay-offs.

160. The most astonishing lack of pre-shipment inspections concerns all rice and fuel imports. As a result, no independent verification and statistical data is available for rice, which is the most important staple food for Liberians, and fuel, which is needed not only for transportation but for generating electricity. The retailing price of rice is $19 to $22 per 100-pound bag, and at $3 per gallon of fuel Liberians pay one of the highest rates in Africa. Although the Panel interviewed all relevant private sector participants and compared the results with those of other international observers, the result of the two case studies (see tables 8 and 9) can only be approximations since the relevant government authorities did not provide access to their own statistics.

Table 8
Significant gains both to importers and the Ministry of Finance from 2002 rice imports
(In United States dollars)

	Importer	*Ministry of Finance*
Wholesale price (1,728,000 bags at $18.00 per bag)	31 104 000	
Import price (90,000 tons per average $210)	-18 900 000	
Import duty (90,000 tons equals 1,800,000 bags,	-950 400	+950 400

	Importer	*Ministry of Finance*
minus free supply: 1,728,000 x $0.55)		
Government Stabilization Fund (1,728,000 bags x $2.00)	-3 456 000	+3 456 000
Free supply 72,000 bags at retail value of $18.00	-1 296 000	+1 296 000
Overhead and fuel expenses	-3 500 000	
4 per cent sales tax (4 per cent of 1 728 000 bags at $20.00 per bag)		+1 382 400
Gains	3 001 600	7 084 800

- signifies expenses and + profits for the particular transaction.

Table 9

Significant gains to importers and the Ministry of Finance from 2002 fuel imports

(In United States dollars)

	Importer	*Ministry of Finance*
Wholesale price	50 220 000	
Import duties (18 000 000 gallons at $0.25)	-4 500 000	+4 500 000
Sales tax (18 000 000 gallons at $0.35)	-6 300 000	+6 300 000
Overhead, 12 per cent (storage, handling, evaporation, port charges)	-6 026 400	
Import price as billed by TotalFinaElf (estimated average price of $1 per gallon)	-18 000 000	
Gains	15 393 600	10 800 000

- signifies expenses and + profits for the particular transaction.

V. Audits of the maritime and forestry programmes

161. Under article 96 of the Cotonou Agreement the European Union had demanded and in September 2002 obtained the acquiescence of the Government of Liberia for European Union-funded audits of the maritime and forestry programmes. Accordingly, the Government of Liberia commissioned Deloitte & Touche on 27 September 2002 to conduct a management and system audit aimed at enhanced transparency and accountability. The contract entailed a three-stage process, starting with a review of the current systems and the design of an improved process with a follow-up monitoring phase of three months. On 5 December 2003, Deloitte & Touche, on the advice of its New York and London head offices, withdrew from the contract, leaving the Government of Liberia with no alternative but to continue with

Voscom Inc. The Government Sanctions Task Force has provided the Panel with copies of the draft "Systems redesign for revenue and disbursement" for Liberia's maritime and forestry programmes.

162. There remains concern about the integrity of the auditing process. The Panel believes that the European Union initiative is a commendable effort, and the redesign and monitoring should be concluded, possibly with a significantly longer monitoring phase.

163. As the redesign is primarily a process-oriented effort, it does not replace the original recommendation of the Panel for a full financial audit of all major accounts by a reputable independent international audit company.

VI. Funding for armed non-State actors

164. No investigation of the financial mechanisms available to armed non-State actors has been possible. The lack of information should in no way be perceived as indicating that the Panel has no concerns about the sponsors and facilitators of these combatants. There can be no question that only ongoing violations of the financial aspects of the arms embargo make the recently observed rapid advances of armed non-State actors possible.

Part six
Travel ban

Violations of the travel ban

165. The Panel continued to collect evidence of widespread non-compliance with the travel ban. Various officials and business people on the list were travelling while the Panel of Experts was in Monrovia and could not be met. The Minister of Transportation, Joe Mulbah, boarded flight SN Brussels 213 in Banjul to travel to Monrovia on 5 March 2003. Unfortunately for him his seat was next to that of the Chairman of the Panel, who was on the flight from Brussels to Monrovia. He did not have a travel exemption from the Security Council sanctions Committee.

166. President Taylor also made an unauthorized stop at Sirte International Airport (Libyan Arab Jamahiriya) on 28 January 2003. The Panel is aware that letters to the Security Council Committee on this issue have been received from the Libyan Arab Jamahiriya and Liberia. According to an official Jana news agency report filed at 2115 GMT that day, "President Taylor was given a huge welcome and Major General Abu Bakr Yunis Jabir led the delegation greeting him. Were also present the secretary of the General People's Committee for African Unity; the secretaries of the People's Congress and the People's Committee of the administrative district of Sirte; a number of officers of the armed people; the secretary of the Libyan People's Bureau in Liberia and the Liberian ambassador to the Great Jamahiriya and his embassy staff".

167. When the Panel visited Tripoli and discussed President Taylor's visit in detail with the Secretary of the General People's Committee for African Unity, the Secretary described the visit as a technical refuelling stop and said that the Jana journalist at Sirte had been overenthusiastic in his reporting. This does not explain

why the secretary of the General People's Committee for African Unity, the secretary of the Libyan People's Bureau in Liberia and the Liberian ambassador to the Libyan Arab Jamahiriya were able to reach Sirte so quickly to welcome President Taylor.

168. The Panel has noted a significant decline in the number of violations of the ban through Abidjan. Since the outbreak of conflict in September 2002 individuals on the ban list prefer to transit through or travel to Accra. The Panel has verified a number of violations, on the basis of information provided by national authorities, multiple eyewitnesses and an examination of passenger manifests for flights leaving Roberts Field International Airport from September to March 2003, as follows:

- Benoni Urey, Commissioner of Maritime Affairs, 9 May 2002 in Abidjan (see annex X). Urey was also seen on flight GH-512 to Accra on 16 March 2003.
- Mousa Cisse, 18 February 2003, on flight GH-533 to Accra.
- Mohamed Salame, 23 January 2003, on Weasua XA005 from Monrovia to Abidjan.
- Gus Kouwenhoven, 6 December 2002, on Weasua XA005 from Monrovia to Abidjan. The Panel is also aware that he left Monrovia twice during March and April 2003 although his name does not appear in the manifests examined by the Panel. Once more the Panel suspects that he must travel under an assumed name.
- Jewel Taylor, 5 June 2001 on special flight ZS-LFW to Abidjan.

169. Numerous witnesses have reported to the Panel that many individuals are able to violate the ban because they possess multiple nationalities or residence permits for other countries. Transiting through Brussels, it is, for example, possible to travel to the United States, France, the United Kingdom and other countries without being checked by Belgian customs or immigration officials.

Annex I

Meetings and consultations

Belgium

Private sector

Diamond High Council

Ducor World Airlines

Bulgaria

Government

Ministry of Foreign Affairs

Ministry of Defence

Military Police and Counterintelligence

National Investigation Agency

Ministry of the Interior

National Service «Counter Organized Crime»

Interministerial Commission for Export Control and Non-Proliferation of Weapons of Mass Destruction

Private sector

Ducor World Airlines

Chad

Government

Ministry of Transports

Ministry of Public Works

Ministry of Finances

Ministry of Budget

Ministère de la défense nationale et anciens combattants victimes de guerre

Notes

A number of individuals have played a key part in some of the events noted in this report. The Panel appreciates those who agreed to be interviewed.

Given the sensitive nature of the subjects being investigated by the Panel, many individuals, however, spoke under conditions of confidentiality. Several interviewees have therefore not been listed.

Bilateral and multilateral agencies

UNDP

Côte d'Ivoire

Government

Ministry of Internal Affairs

Ministry of Defence

Diplomatic

Canada

France

United Kingdom

United States

French ceasefire forces in Ivory Coast (Opération Licorne)

Bilalteral and multilateral agencies

UNDP

World Food Programme

Service de coopération technique international de police (SCTIP)

Interpol Subregional Bureau Abidjan

Private sector

Bureau France 2 Afrique

Lettre du Continent

Others

Modern Africa

Liberian Refugee Camp, Nicla

Ellen Johnson Sirleaf, Unity Party of Liberia

Kormah Development & Investment Corp.

France

Government

Ministry of Foreign Affairs

Diplomatic

Nigeria

Interpol, Lyon

Guinea

Government

Présidence de la République

Ministry of Mines and Geology

Ministry of Security

Ministry of Defence

National Direction of Civil Aviation

Agence de navigation aérienne

Commission nationale de lutte contre la prolifération et la circulation illicite des armes légères

Diplomatic

France

Mali

Senegal

Roberts Flight Information Region

Liberia

Government

Ministry of Land, Mines and Energy

Ministry of Commerce and Industry

National Port Authority

Task Force on application of resolution (1343) (2001)

Central Bank of Liberia

Liberian Produce Marketing Corporation

JFK Hospital

Diplomatic

European Union Commission

Czech Republic (Honorary Consul)

Egypt

Germany (Honorary Consul)

Guinea

Lebanon

India (Honorary Consul)

United States of America

Bilateral and multilateral agencies

Médecins sans frontières, France

UNDP

UNICEF

UNOL

UNHCR

Civil society

Lloyd's surveyor

Private sector

Abi Jaoudi & Azar Trading Corporation

Africa Motors

Bivac

Bridgeway Corporation

El' Nedin, Talal

Evergreen Trading Corporation

Ecobank Liberia Ltd

LoneStar Airways

Lone Star Communication Corporation

Liberian Bank for Development & Investment

Mobil Oil

Monrovia Breweries Inc

Oriental Timber Corporation, Joseph Wong

Royal Timber Company, Gus Kouwenhoven

St. Joseph Construction Corporation

Fishing boat skipper

Others

Voa camp for internally displaced persons

Jah Tono camp for internally displaced persons

Liechtenstein

Government

Financial Intelligence Unit

Private sector

Schreiber & Zindel Treuhand Anstalt

Libyan Arab Jamahiriya

Government

Secretary of General People's Committee for African Unity

Civil Aviation Authority

Multilateral and bilateral agencies

United Nations Resident Coordinator

Private sector

Buraq Air

Senegal

Government

Direction de l'aviation civile

Diplomatic

ASECNA

ICAO

Private sector

Exxon Mobil Corporation

Serbia and Montenegro

Government

Ministry of Foreign Affairs

Ministry of Defence

Ministry of the Interior

Federal Ministry of Transport

Ministry of Transport of the Republic of Serbia

Customs Authority of the Republic of Serbia

Private sector

Temex Company

Interjug AS

Diplomatic

Angola

Nigeria

Ghana

Guinea

Sierra Leone

Government

Ministry of Foreign Affairs

Government Gold and Diamond Office

Ministry of Mineral Resources

Ministry of Trade

Ministry of Justice

Customs and Excise Port Authority

National Security Advisers

Sierra Leone Army

Sierra Leone Police

Multilateral and bilateral agencies

Special Court

UNAMSIL

United Kingdom

Others

International Crisis Group

Mapeh camp of internees

United Kingdom of Great Britain and Northern Ireland

Foreign and Commonwealth Office

Others

Amnesty International

Global Witness

Fauna and Flora International

International Alert

The Royal Institute of International Affairs

Private sector

Africa Confidential

Camerapix, James Brabazon

Deloitte & Touche

Economist Intelligence Unit

United States of America

Private sector

Citigroup

Bilateral and multilateral agencies

Human Rights Watch

United Nations

Department of Political Affairs

Department of Peacekeeping Operations

Office for the Coordination of Humanitarian Affairs

UNDP

Permanent Missions

Bulgaria

France

Liberia

Liechtenstein

Singapore

Annex II

Sofitel hotel bill for Mr. Glay William

SOFITEL
ACCOR HOTELS & RESORTS
B.P. 2100 Abidjan 01 - Côte d'Ivoire
[illegible]

[illegible]
S.A. au capital de [illegible] F CFA
R.C.C.M. [illegible] - R.C. [illegible]
[illegible]
[illegible]
[illegible]
[illegible]

PRESIDENCE DE LA REP.

		08.01.03		FAC 4933	
27.12.02 au 07.01.03	HEBERGEMENT SEJOUR MR GLAY WILLIAM	2 950 875	20.	590 175	3 256 000
T V A	2 950 875 x 20.00% =	590 175			
	PAYABLE UPON RECEIPT CFA				3 256 000

Annex III

Letter from the Consul General of Côte d'Ivoire on the whereabouts of Sam Bockarie

République de [illegible] d'Ivoire
Union - Discipline - Travail

Consulat de Côte d'Ivoire
LIBERIA

UNOL-OFFICE OF THE ASG
RECEIVED
14/01/03

January 14, 2003

Ref: 162/CCI-L/2003

Mr. Abou Mousa
Special Representative of the
Secretary General of the
United Nations
Monrovia, Liberia.

The Consulate of the Republic of Cote d'Ivoire extends its compliments to the Special Representative of the Secretary General of the United Nations in Liberia and has the honor to inform your good office about the presence in the Ivorian Town of Guiglo, a former RUF rebel commander Sam Bockarie, and some of his followers participating in the fighting in that region.

Reliable sources have told us that General "Mosquito" as Bockarie is better known, is in looting spree in the area, and brings his loots to the border with Liberia to sell.

The purpose of this letter is to ask that you inform the Secretary General about the development so that Sam Bockarie can be declared a wanted man by the United Nations.

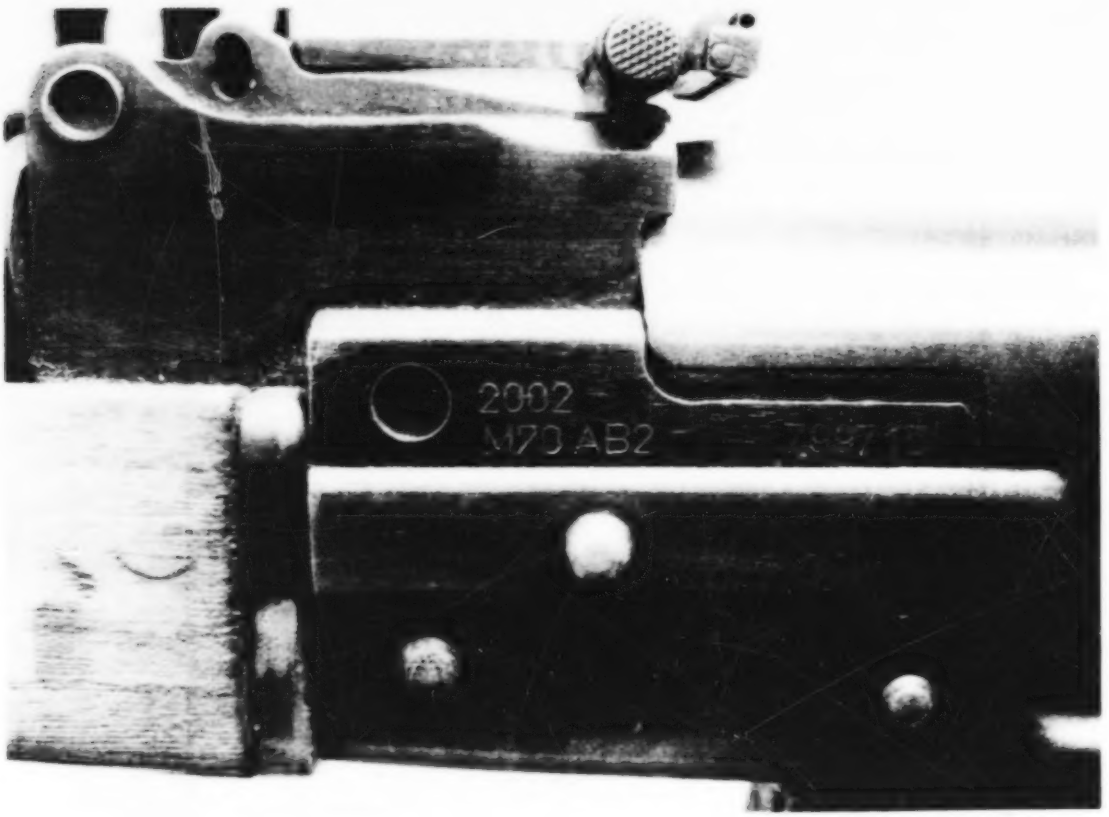
I think strongly that this step should be taken in the interest of peace in the Ivory Coast.

The Consulate of the Republic of Cote d'Ivoire in Monrovia avails itself of this opportunity to renew to the Special Representative of the Secretary General of the United Nations in Liberia the assurances of its highest consideration.

Prosper KOTCHI
CONSUL GENERAL

Annex IV

Photograph of the serial number of AK-47 made in 2002 carried by an AFL soldier



Annex V

Hotel registration of Slobodan Tešic, Director of Temex, Mr. Dragaš and Mr. Jovan at the Royal Hotel, Monrovia, on 1 August 2002

Tesic Svobodan	101	8-01-02	00065325[illegible]
Andres Martinez	105	8-01-02	[illegible]
Kyizan Kossa	108	8-01-02	[illegible]
Orhan Drabas	110	8-01-02	[illegible]
Aleksic Jovan	210	8-01-02	[illegible]
Avarpe	306	8-01-02	[illegible]
Japhet [illegible]su	102	8-05-02	[illegible]
Rebua [illegible]	107	8-5-2002	[illegible]
William Sharpe	305	8-5-2002	[illegible]
William [illegible]ampe	106	8-5-2002	[illegible]
Ana [illegible]	105	8-7-2002	153330
Samoa Thompson	203	8-8-2002	[illegible]
Ahmed Jelani	201	8-8-2002	[illegible]
Mcapo [illegible]	202	8-8-2002	233608
Kpeimai Thua	103	8-8-2002	[illegible]
William [illegible]	106	8-8-2002	[illegible]

Annex VI

Contract between Temex and Jeff Corporation

CONTRACT No. 2022
Dated 23.03.2002.

This Agreement is made and entered into by and between:
1.''**TEMEX CO**'' *Preduzece za proizvodnju i trgovinu*, **Beograd**, a company duly organized and existing under and by virtue of the laws of **Yugoslavia**, represented herein by Mr.TESIC SLOBODAN, hereinafter referred to as **Seller**.

2.''**JEFF CORPORATION LTD.**'', a corporation duly organized and existing under and by virtue of the laws of Bulgaria, with office at 44-48 Kritchim Str. Sofia, Bulgaria, represented herein by Mr PETAR KOSTADINOV SINAPOV, hereinafter referred to as **Buyer**.

Article No 1. Subject of the Contract
1.0 The subject of this Contract are the following goods

Truck tires TRAYAL	Quantity /pcs./
11.00 R 20/ 16 pr TT	1.400
12.00 R 20/18 pr TT	1.800
315/80 R 22,5/18 pr TL	900

1.1. ''SELLER'' will be obliged to deliver and ''BUYER'' will be obliged to buy the products, which are the subject of this Contract.

Article No 2. Prices
2.0 The unit and total prices of the products which is the subject of this Contract are

Truck tires TRAYAL	Quantity /Pcs./	Unit price US $	Total US $
11.00 R 20/ 16 pr TT	1400	125,60	175.840,00
12.00 R 20/18 pr TT	1800	149,20	268.650,00
315/80 R 22,5/18 pr	900	162,00	145.800,00
		TOTAL:	590.290,00

/five hundred ninety thousand two hundred ninety only/

2.1 The above mentioned prices are based EX work

Annex VII

Photograph allegedly of a Guinean soldier in Liberia, fighting with LURD

Annex VIII

A. False Guinean end-user certificate

PRESIDENCE DE LA REPUBLIQUE
SECRETARIAT GENERAL
DE LA PRESIDENCE

N° 1132 /PRG/SGPRG 15/11/02

REPUBLIQUE DE GUINEE
Travail - Justice - Solidarité

Conakry, le 02 JAN. 2002

Le Ministre Secrétaire Général

A

Motyneux Ltd of Burgate
House
KnockHundred Row,Midhurst
West Sussex GU29 9DQ
United Kingdom.

Sir

The General secretary of the présidence of the Guinée République confirmes that Motyneux Ltd,of Burgate House Knockhundred Row,Midhurst,West Sussex GU299DQ,United Kingdom is authorized to procure and deliver the equipement list enclose.

The general secretary of the Présidence confirmes that enclose military equipment listed is for the exclusive use of the Armed Forces of Guinée République and not intended to be sold,transfered or exported to any third party or country

N/n/1132/PRG/SGPRG / 15 / 11 / 02

ITEM LIST

NO	NOMENCLATURE	QUANTITY
1	Machine Gun, RPK, light, 7.62 x 39 mm	1,000
2	Machine Gun, PKM, light, 7.62 x 54R	1,400
3	Launcher, RPG-7V, 40 mm	2,050
4	Cartridge, 7.62 x 39 mm, ball	30,000,000
5	Cartridge, 7.62 x 39 mm, tracer	10,500,000
6	Antitank Grenade Launcher, AGS-17, 30 mm	100
7	Cartridge, 30 mm, HE, for AGS-17	135,000
8	Machine Gun, KPV, heavy, 14.5 mm	100

B. Letter confirming that the Guinean end-user certificate is false

PRESIDENCE DE LA REPUBLIQUE

SECRETARIAT GENERAL DE LA PRESIDENCE

REPUBLIQUE DE GUINEE
Travail - Justice - Solidarité

Conakry, le 04 FEV. 2003

N° 0035/PRG/SGPRG/SP/03

Le Ministre Secrétaire Général

A

MONSIEUR VASILIY PUGACHEV
PREMIER VICE-MINISTRE
DU MINISTERE DES AFFAIRES ETRANGERES
DE LA REPUBLIQUE DE BIOLORUSSIE

Monsieur le Premier Vice-Ministre,

Suite à votre lettre N°193/13 en date du 30 janvier 2003, j'ai l'honneur de vous notifier une fois de plus que le document consommateur final n°132/PRG/ SGPRG/ 51/ 82 sense être sous ma signature est fausse et de nul effet. Cet usage de faux est condamné par la Loi guinéenne.

Nous attirons votre attention de n'entreprendre aucune négociation et vous saurions infiniment reconnaissant de votre entremise pour la mise à disposition de l'Ambassade de Guinée à Moscou, des auteurs de cette lettre

En comptant sur votre bonne collaboration, je vous prie de recevoir, Monsieur le Ministre, l'assurance de ma haute considération.

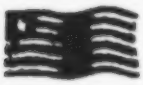
FODE BANGOURA

Copie à l'Ambassade
De Guinée à Moscou.

B.P. 1005 Conakry (Rép. de Guinée) Tél (+224) 41 52 10 Fax (+224) 41 11 19 / 41 56 70

Annex IX

Australian diamond fraud document



Orbal Marketing Services Liberia. Ltd

18 UN Drive, Nimba Point, Monrovia - Liberia

PROCEDURES FOR PURCHASING ROUGH DIAMONDS EX LIBERIA
Trough world agents: Orbal Marketing Services Liberia Limited

Buyer deposits funds in account of Liberian Consul in Melbourne, Australia, for which a Safe Keeping Receipt is issued together with written guarantee that funds will be held for the purchase of rough diamonds and for no other purpose or in the event of no agreement to purchase to be returned to buyer.

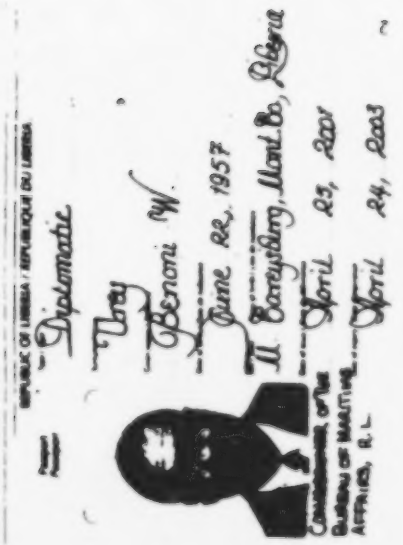
1. Buyer issues full details of requirements such as type carat size colour clarity and quantity.
2. Orbal Marketing Service will then arrange parcel of product to meet buyer requirement. This could take about 2 to 3 weeks depending upon Buyer's specification.
3. Buyer and/or Buyer's Valuer is issued with a visa from the Liberian Consulate in Melbourne Cost $200 per visa.
4. Buyer and /or Buyer's Valuer f ly to Liberian Capital, Monrovia to be met by official from Orbal Marketing Services Liberia on arrival at airport then taken to inspect the rough diamonds.
5. Buyer and/or Buyer's Valuer inspect the prepared package(s) and agree to purchase. Seals for the package(s) are then attached.
6. Upon acceptance of purchase all taxes and other Liberian government charges are then paid by the Seller to the Liberian Mines Department and all the necessary paperwork required for the export of the relevant package(s) of diamonds is completed.
7. The Australian Consul for Liberian then forwards payment by SWIFT transfer for the package(s) to Liberia. Buyer and /or Buyer's Valuer take delivery of the package(s) and are then escorted to airport for boarding of aircraft.
8. In order to test prove the aforementioned procedures the Buyer can commence with as little as US$200 000 for the initial transaction.
9. All transaction to be in United States Currency.
10. The UN embargo has been lifted. Since the signing of the peace accord there are no longer any restrictions on trade with Liberia, including trade in rough diamonds. Diamonds can be purchased through the representative office of Orbal Marketing Services Liberia Ltd.

REPRESENTATIVE OFFICE ORBAL MARKETING SERVICE PTY LTD
ACN 006 954 080
488 Swan Street, Richmond, Victoria 3121, Australia
E-mail: orbalmarketing@hotmail.com Tel: (61-3) 9428 2600 Fax: (61-3) 9428 6705

A.W. JENKINS for ORB MELBOURNE AUSTRALIA
6/01/2003

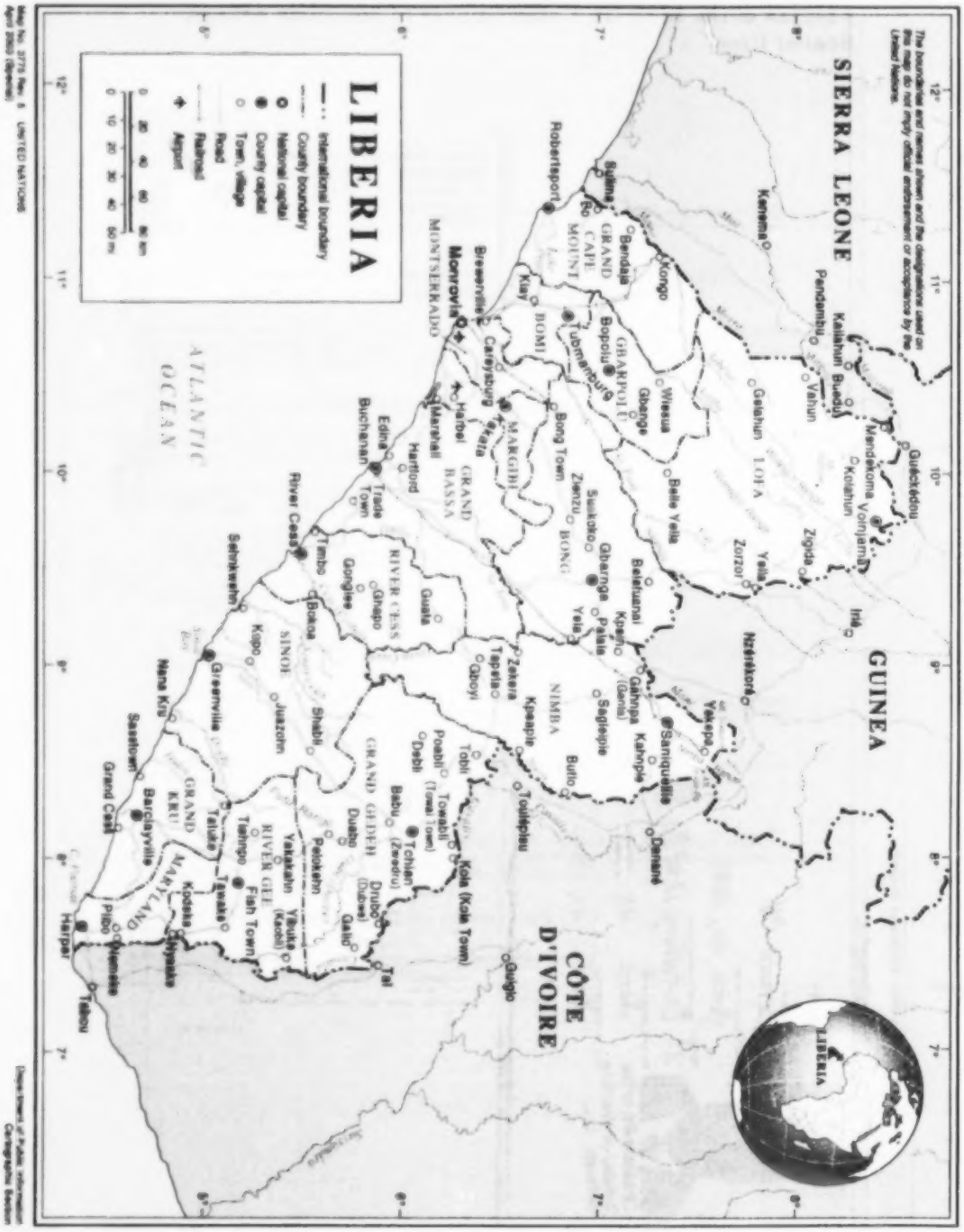
Annex X

Copy of passport and embarkation/disembarkation card for Abidjan of the Liberian Commissioner of Maritime Affairs, Benoni Urey



Annex XI

Map of Liberia



S/2003/499

Readex
Fiche

United Nations S/2003/499

Security Council

Distr.: General
25 April 2003

Original: English

Letter dated 24 April 2003 from the Permanent Representative of South Africa to the United Nations addressed to the President of the Security Council

I have the honour to write to you regarding the temporary adjustments that were made to the oil-for-food programme in terms of Security Council resolution 1472 (2003) and to request more information related to the programme.

I am contacting you on behalf of the South African companies that hold contracts under the oil-for-food programme. We welcome the information that has been provided on the supply of priority goods pursuant to resolution 1472 (2003). Our request for clarification from the Security Council relates mainly to goods that were not identified as priority goods, but were already deemed eligible for payment. Among our concerns are the following issues:

- The status of approved contracts for non-priority goods that are funded
- Contracts that are approved but are still unfunded
- Clarification on the next steps in cases where the letters of credit and approval letters are due to expire in a month or so

We were informed in the briefings conducted by the Secretary-General to regional groups that there may be compensation to companies for losses incurred due to the evacuation of the independent inspection agent from Iraq. Among South African companies, there are suppliers whose goods were en route to Iraq at the time of the evacuation and suppliers who were in the course of manufacturing, sourcing or storing goods for export to Iraq. We would appreciate the Security Council's guidance on how to respond to enquiries from such companies.

I should be grateful if you would have the present letter circulated as a document of the Security Council.

(*Signed*) Dumisani S. **Kumalo**
Ambassador
Permanent Representative of the Republic of South Africa

03-33558 (E) 280403